

Auditing Procedures Report

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Issued under Public Act 2 of 1968, as amended.

Unit Name	ANTRIM COUNTY	County	ANTRIM	Type	CCOUNTY	MuniCode	05-0-000
Opinion Date-Use Calendar	Jun 5, 2008	Audit Submitted-Use Calendar	Jun 27, 2008	Fiscal Year-Use Drop List	2007		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/>	18. Are there reported deficiencies?
<input checked="" type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 12,116,411.00
General Fund Expenditure:	\$ 9,586,752.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 4,128,894.00
Governmental Activities Long-Term Debt (see instructions):	\$ 200,981.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	THOMAS	Last Name	ZICK	Ten Digit License Number	1101007478		
CPA Street Address	P O BOX 149	City	LEWISTON	State	MI	Zip Code	49756
CPA Firm Name	THOMAS R ZICK CPA, P.C.	Unit's Street Address	P O BOX 520	City	BELLAIRE	LU Zip	49615

**ANTRIM COUNTY
BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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Thomas R. Zick CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 149, 2947 MANTZ STREET
LEWISTON, MICHIGAN 49756
TELEPHONE: (989) 786-4032
FAX: (989) 786-4032

INDEPENDENT AUDITOR'S REPORT

June 5, 2008

Board of Commissioners
Antrim County
Bellaire, Michigan 49615

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Antrim, Michigan management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of Meadow Brook Medical Care Facility, which represent 36.2 percent and 88.3 percent, respectively of the net assets and operating revenues of the proprietary funds of Antrim County. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for Meadow Brook Medical Care Facility, is based on the report of the other auditors.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the report of other auditors provide a reasonable basis for our opinions.

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan, as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated June 5, 2008 on my consideration of Antrim County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it. Management of the Meadow Brook Medical Care Facility did not present management's discussion and analysis in their report, and their auditors indicated that the Governmental Accounting Standards Board determined the analysis is necessary to supplement, although not required to be a part of the basic financial statements, when issuing their report.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Antrim, Michigan basic financial statements. The introductory section, and combining non-major fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements have been subjected to the auditing procedures applied by me and the other auditors in the audit of the basic financial statements and, in my opinion, based on my audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in dark ink, appearing to read "Thomas R. Zick, CPA P.C.", with a stylized, cursive script.

THOMAS R. ZICK CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

ANTRIM COUNTY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Antrim County, we offer readers of the Antrim County financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

The assets of Antrim County exceed its liabilities at the close of fiscal year, 2007 by \$47,821,521. Of this amount \$19,923,331 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

- * At December 31, 2007, the County's governmental funds reported combined ending fund balances of \$14,200,396.
- * At December 31, 2007, unreserved fund balance for the General Fund was \$4,128,894 or 43.1% of General Fund expenditures.
- * Governmental funds revenues were \$15,616,525.
- * The County has lease/purchase debt in the governmental funds and bonds in the Hydro Electric Enterprise Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County financial statements. The County basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS. The *government-wide financial statements* are designed to provide readers with a broad overview of the County finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows: Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods (e.g. accrued interest expense).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, and recreation and culture. The business-type activities of the County include delinquent property tax collection, medical care facility, transportation, and hydroelectric utility.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate component unit for which the County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 9-11 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FUND FINANCIAL STATEMENTS. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

GOVERNMENTAL FUNDS. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 58 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, considered to be the major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets for the County's major fund.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

Proprietary Funds. The County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its medical care facility, delinquent taxes, transportation, hydroelectric funds, and airport.

The basic proprietary fund financial statements can be found on pages 16-19 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 20 of this report.

NOTES TO THE FINANCIAL STATEMENTS. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-43 of this report.

OTHER INFORMATION. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statement. Combining statements and schedules can be found on pages 52-75 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceed liabilities by \$47,821,521 at the close of the most recent fiscal year. A large portion of the County's net assets reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At December 31, 2007 the County had \$200,981 debt associated with its governmental fund capital assets.

ANTRIM COUNTY NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Current and Other Assets	\$ 16,711,130	\$ 16,138,514	\$ 16,525,005	\$ 15,098,170	\$ 33,236,135	\$ 31,236,684
Capital Assets	<u>15,238,423</u>	<u>15,394,204</u>	<u>4,774,942</u>	<u>2,672,296</u>	<u>20,013,365</u>	<u>18,066,500</u>
Total Assets	<u>31,949,553</u>	<u>31,532,718</u>	<u>21,299,947</u>	<u>17,770,466</u>	<u>53,249,500</u>	<u>49,303,184</u>
Long-Term Liabilities	105,916	140,190	140,000	165,000	245,916	305,190
Other Liabilities	<u>2,605,799</u>	<u>3,433,229</u>	<u>2,576,664</u>	<u>928,120</u>	<u>5,182,463</u>	<u>4,361,349</u>
Total Liabilities	<u>2,711,715</u>	<u>3,433,229</u>	<u>2,716,664</u>	<u>1,093,120</u>	<u>5,428,379</u>	<u>4,526,349</u>
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	15,037,842	15,204,454	4,609,942	2,482,296	19,647,784	17,686,750
Restricted	6,971,442	7,211,206	1,278,964	1,143,567	8,250,406	8,354,773
Unrestricted	<u>7,228,954</u>	<u>5,543,639</u>	<u>12,694,377</u>	<u>13,051,483</u>	<u>19,923,331</u>	<u>18,595,122</u>
Total Net Assets	\$ 29,238,238	\$ 27,959,299	\$ 18,583,283	\$ 16,677,346	\$ 47,821,521	\$ 44,636,645

The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Investment in capital assets, net of related debt, is 41.0% of total net assets. An additional portion of the County's net assets (17.3%) represents resources that are subject to external restrictions on how they may be used. Restricted net assets are those net assets that have constraints placed on them by either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purpose stipulated in the legislation. All such assets (except for assets invested in capital assets, net of related debt) are considered restricted or unrestricted. The unrestricted portion of the County's net assets is 41.7% of net assets. These net assets may be used to meet the government's ongoing obligations to citizens and creditors.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

ANTRIM COUNTY CHANGES IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue						
Program Revenue						
Charges for Services	\$ 3,547,253	\$ 3,194,899	\$ 11,319,654	\$ 11,473,084	\$ 14,866,907	\$ 14,667,983
Operating Grants and Contributions	1,251,379	1,832,801	367,590	384,856	1,618,969	2,217,657
Capital Grants	66,210	948,848	136,093	88,509	202,303	1,037,357
General Revenue						
Property Taxes	9,727,536	11,267,816	1,091,147	1,097,162	10,818,683	12,364,978
Other	1,024,147	926,141	756,391	444,707	1,780,538	1,370,848
Total Revenue	<u>15,616,525</u>	<u>18,170,505</u>	<u>13,670,875</u>	<u>13,488,318</u>	<u>29,287,400</u>	<u>31,658,823</u>
Expenses						
Legislative	170,958	143,551	-	-	170,958	143,551
Judicial	1,856,576	1,698,393	-	-	1,856,576	1,698,393
General Government	3,260,173	3,715,936	-	-	3,260,173	3,715,936
Public Safety	4,911,390	4,871,364	-	-	4,911,390	4,871,364
Public Works	23,424	973	-	-	23,424	973
Health and Welfare	2,297,350	2,422,521	-	-	2,297,350	2,422,521
Community/Economic Development	310,600	323,782	-	-	-	-
Recreation and Culture	516,429	339,602	-	-	516,429	339,602
Interest on Debt	-	-	-	-	-	-
Delinquent Property Tax	-	-	131,722	106,825	131,722	106,825
Medical Care Facility	-	-	10,902,970	10,072,054	10,902,970	10,072,054
Other	-	-	1,535,074	1,018,263	1,535,074	1,018,263
Total Liabilities	<u>13,346,900</u>	<u>13,516,122</u>	<u>12,569,766</u>	<u>11,197,142</u>	<u>25,916,666</u>	<u>24,713,264</u>
Increase in Net Assets Before Transfer	2,269,625	4,654,383	1,101,109	2,291,176	3,370,734	6,945,559
Transfer	(8,421)	(96,000)	8,421	(96,000)	-	(192,000)
Increase in Net Assets	<u>2,261,204</u>	<u>4,558,383</u>	<u>1,109,530</u>	<u>2,195,176</u>	<u>3,370,734</u>	<u>6,753,559</u>
Net Assets - Beginning of Year - as restated	<u>26,977,034</u>	<u>23,400,916</u>	<u>17,473,753</u>	<u>14,290,170</u>	<u>44,450,787</u>	<u>37,691,086</u>
Net Assets - End of Year	<u>\$ 29,238,238</u>	<u>\$ 27,959,299</u>	<u>\$ 18,583,283</u>	<u>\$ 16,485,346</u>	<u>\$ 47,821,521</u>	<u>\$ 44,252,645</u>

GOVERNMENTAL ACTIVITIES

Governmental activities increased the County's net assets by \$2,261,204 accounting for 67.1% of the total growth in the County's net assets. The main reasons for the change in fund balances and the change in net assets are capital outlays in the current year which are expensed under the modified accrual method are carried as fixed assets under full accrual.

Government activities include:

- * Legislative activities – Expenditures related to the Board of Commissioners and high-level administrative expenditures.
- * Judicial activities– Expenditures related to the administration of Circuit, District, and Probate/Family Courts and Court Probation units.
- * General government activities – Expenditures related to the support department of the County such as Administration, Equalization, Treasury, Airport, Facilities Management, Finance, and Other.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- * Public Safety – Expenditures related to the Sheriff's administration and road patrol and County corrections services.
- * Health and Welfare – Expenditures related to public health services, child care, medical examiner, programs for seniors, and housing assistance programs.
- * Community/Economic Development – Expenditures related to county planner/coordinator and economic development.
- * Parks and Recreation – Expenditures related to County parks.

BUSINESS-TYPE ACTIVITIES

The business-type activities of the County include proprietary operations.

Business-type activities increased the County's net assets after transfers by \$1,109,530 or 32.9% of the growth in net assets. The increase in the business-type activities' net assets was generated through interest and penalties on delinquent property taxes and interest earned on deposits in the Delinquent Tax Revolving Fund. The Medical Care Facility also showed an increase in net assets as a result of a tax levy. The Transportation Fund showed a decrease in net assets for the year as did the Airport Fund.

Business-type activities include:

- * Delinquent tax revolving fund – This fund was established as a means to provide the local governments within the County's jurisdiction with 100% of the property tax distributions owed to them annually. The County then acts as the collection agency for the outstanding delinquent taxes.
 - * Medical Care Facility – This fund was established to provide funds for care and maintenance of the medical care facility.
 - * Transportation Fund – This fund was established to provide funds for operation and maintenance of the transportation facilities.
 - * Elk Rapids Hydroelectric Fund – This fund was established to provide funds for operation and maintenance of the hydroelectric facility.
- Airport Fund – This fund was established to provide funds for operation and maintenance of the County airport.

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the County governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unreserved fund balance represented 50.0% of annual governmental expenditures in 2007 in the governmental funds.

The General fund balance increased by \$1,679,364 from \$2,449,530 to \$4,128,894 during 2007 due to growth of general fund revenue by 4.8% while expenditures stayed constant. Unreserved fund balance of \$4,128,894 is available for spending at the County's discretion.

Proprietary funds - The County proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

	UNRESTRICTED NET ASSETS	
	<u>2007</u>	<u>2006</u>
<u>Proprietary Fund</u>		
Enterprise Funds		
100% Tax Payment Fund	\$ 8,190,972	\$ 7,689,528
Medical Care Facility	\$ 3,910,907	\$ 4,946,972
Transportation Fund	\$ 168,020	\$ 141,514
Elk Rapids Hydro Electric	\$ 488,526	\$ 273,469
Airport fund	\$ (64,048)	\$ -
		Part of General Fund

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

General Fund Budgetary Highlights

Other factors considering the finances of these funds have been addressed in the discussion of the County's business-type activities.

Amended budgetary expenditures and revenues differed from the originally adopted with the following being some of the more significant amendments:

Revenues:

District Court costs were increased by	\$ 110,000
Abstract Services were increased by	\$ 26,700
Register of Deeds transfer tax was decreased by	\$ 67,900

Expenses:

Board of Commissioners was increased by	\$ 39,581
Computer was increased by	\$ 56,791
Public Safety was increased by	\$ 152,074
Public works – Dams was increased by	\$ 50,294

Capital Asset and Debt Administration

Capital Assets – A capital asset is an asset whose cost exceeds \$5,000 and useful life is greater than two years. Included in the cost of a capital asset are items such as labor and freight and any other costs associated with bringing the asset into full operation. Assets are depreciated using the straight-line method over the course of their useful lives. A schedule of capital assets is shown on pages 30-32 of the accompanying report.

The County currently has lease/purchase debt in the amount of \$200,981 and general obligation revenue bonds in the hydroelectric fund totaling \$165,000. The lease/purchase debt was incurred to purchase sheriff vehicles and will be paid over the next four years. The hydroelectric debt was paid off in early 2008.

Economic Factors and Next Year's Budgets and Rates

The taxable value of commercial, residential, and personal property increased by only 3.2% from 2007 to 2008. This growth is expected to continue but possibly at a slower rate.

In a climate where other counties are seeing their revenues shrink, Antrim County has enjoyed slow but steady economic growth during the last three years, despite the broader economic climate. We attribute much of our county's growth to the increase in development of the recreational assets of the county such as parks, golf courses, and resorts. The County anticipates slow economic growth to continue throughout 2008.

Requests for Information

This financial report is designed to provide a general overview of the County finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be referred to the Antrim County Clerk, P.O. Box 520, Bellaire, MI 49615.

ANTRIM COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Primary Government			Component Unit
	Governmental	Business-type		Road
	Activities	Activities	Total	Commission
ASSETS				
Cash demand and time deposits	\$ 8,296,314	\$ 4,364,509	\$ 12,660,823	\$ 937,086
Investments	5,667,569	7,636,945	13,304,514	97,215
Receivables				
Accounts	67,234	1,006,657	1,073,891	20,012
Current tax	1,373,190	1,360,794	2,733,984	-
Delinquent tax	-	1,514,037	1,514,037	-
Interest and penalties	-	346,570	346,570	-
Other governments	290,114	40,773	330,887	588,981
Mortgages	1,218,810	-	1,218,810	-
Internal balances	(202,101)	202,101	-	-
Prepaid items and other assets	-	38,206	38,206	55,054
Inventory	-	14,413	14,413	451,557
Capital assets				
Land	8,068,365	203,694	8,272,059	-
Other capital assets, net of depreciation	7,170,458	4,571,248	11,741,706	25,707,735
TOTAL ASSETS	31,949,953	21,299,947	53,249,900	27,857,640
LIABILITIES				
Account payable	444,641	401,317	845,958	77,224
Accrued liabilities	201,090	643,239	844,329	31,712
Due to other governments	-	-	-	-
Advance from other governments	-	-	-	151,132
Deferred revenue	1,865,003	1,507,108	3,372,111	-
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	185,205
Due within one year	95,065	25,000	120,065	210,000
Due in more than one year	105,916	140,000	245,916	-
TOTAL LIABILITIES	2,711,715	2,716,664	5,428,379	655,273
NET ASSETS				
Invested in capital assets, net of related debt	15,037,842	4,609,942	19,647,784	25,497,735
Restricted for:				
Revenue Sharing Reserve	5,585,149	-	5,585,149	-
Debt Service	10,879	-	10,879	-
Capital Projects	538,144	-	538,144	-
Central Dispatch/911	681,796	-	681,796	-
Medical Care Restricted Donations	-	439,895	439,895	-
Register of Deeds Automation	83,311	-	83,311	-
Construction Code Enforcement	31,379	-	31,379	-
Other	40,784	839,069	879,853	-
County Roads	-	-	-	1,704,632
Unrestricted	7,228,954	12,694,377	19,923,331	-
TOTAL NET ASSETS	\$ 29,238,238	\$ 18,583,283	\$ 47,821,521	\$ 27,202,367

See Notes to Financial Statements

ANTRIM COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
Legislative	\$ 170,958	\$ -	\$ -	\$ -	\$ (170,958)
Judicial	1,856,576	480,402	318,393	-	(1,057,781)
General Government	3,260,173	981,616	189,687	-	(2,088,870)
Public Safety	4,911,390	1,335,975	335,822	19,563	(3,220,030)
Public Works	23,424	-	-	-	(23,424)
Health and Welfare	2,297,350	379,955	407,477	-	(1,509,918)
Community/Economic Development	310,600	-	-	-	(310,600)
Recreation and Culture	516,429	369,305	-	46,647	(100,477)
Total Governmental Activities	<u>13,346,900</u>	<u>3,547,253</u>	<u>1,251,379</u>	<u>66,210</u>	<u>(8,482,058)</u>
Business-type Activities					
Delinquent Property Tax	131,722	327,845	-	-	196,123
Medical Care Facility	10,902,970	10,790,665	6,206	-	(106,099)
Other	1,535,074	201,144	361,384	136,093	(836,453)
Total Business-type Activities	<u>12,569,766</u>	<u>11,319,654</u>	<u>367,590</u>	<u>136,093</u>	<u>(746,429)</u>
Total Primary Government	\$ 25,916,666	\$ 14,866,907	\$ 1,618,969	\$ 202,303	\$ (9,228,487)
Component Unit					
Road Commission	<u>\$ 4,499,838</u>	<u>\$ 782,982</u>	<u>\$ 3,642,972</u>	<u>\$ 1,097,889</u>	<u>\$ 1,024,005</u>
Total Component Units	\$ 4,499,838	\$ 782,982	\$ 3,642,972	\$ 1,097,889	\$ 1,024,005

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
STATEMENT OF ACTIVITIES (Concluded)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Primary Government			Component Unit
	Governmental	Business-type		Road
	Activities	Activities	Total	Commission
Changes in net assets				
Net (expense) revenue	\$ (8,482,058)	\$ (746,429)	\$ (9,228,487)	\$ 1,024,005
General revenues:				
Property taxes	9,727,536	1,091,147	10,818,683	-
Convention tax	146,093	-	146,093	-
Unrestricted investment earnings	577,837	566,099	1,143,936	39,562
Rents	300,217	-	300,217	-
Gain/(loss) on sale of capital assets	-	190,292	190,292	-
Transfers - internal activities	(8,421)	8,421	-	-
Total general revenues, contributions and transfers	<u>10,743,262</u>	<u>1,855,959</u>	<u>12,599,221</u>	<u>39,562</u>
Change in net assets	2,261,204	1,109,530	3,370,734	1,063,567
Net assets, beginning of year - as restated	<u>26,977,034</u>	<u>17,473,753</u>	<u>44,450,787</u>	<u>26,138,800</u>
Net assets, end of year	\$ 29,238,238	\$ 18,583,283	\$ 47,821,521	\$ 27,202,367

See Notes to Financial Statements

ANTRIM COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	MAJOR FUNDS				
	GENERAL	REVENUE	SERVICES	OTHER	
	FUND	SHARING	FOR AGED	FUNDS	TOTAL
		RESERVE			
ASSETS					
Cash	\$ 14,642	\$ 3,635,119	\$ 7,445	\$ 4,639,108	\$ 8,296,314
Investments	3,700,000	1,967,569	-	-	5,667,569
Receivables					
Taxes	726,997	-	646,193	-	1,373,190
Accounts	20,856	-	-	46,378	67,234
Mortgages	-	-	-	1,218,810	1,218,810
Due From Other Funds	21,305	-	-	6,357	27,662
Due From Other Governmental Units	<u>169,616</u>	<u>-</u>	<u>8,052</u>	<u>112,446</u>	<u>290,114</u>
 TOTAL ASSETS	 <u>\$ 4,653,416</u>	 <u>\$ 5,602,688</u>	 <u>\$ 661,690</u>	 <u>\$ 6,023,099</u>	 <u>\$ 16,940,893</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 259,949	\$ -	\$ 14,656	\$ 170,036	\$ 444,641
Accrued Liabilities	134,600	-	13,336	53,154	201,090
Due to Other Funds	129,973	17,539	-	82,251	229,763
Due to Other Governmental Units	-	-	-	-	-
Deferred Revenue	<u>-</u>	<u>-</u>	<u>646,193</u>	<u>1,218,810</u>	<u>1,865,003</u>
 TOTAL LIABILITIES	 <u>524,522</u>	 <u>17,539</u>	 <u>674,185</u>	 <u>1,524,251</u>	 <u>2,740,497</u>
FUND BALANCES					
Reserved	-	5,585,149	-	1,386,293	6,971,442
Unreserved	<u>4,128,894</u>	<u>-</u>	<u>(12,495)</u>	<u>3,112,555</u>	<u>7,228,954</u>
 TOTAL FUND BALANCES	 <u>4,128,894</u>	 <u>5,585,149</u>	 <u>(12,495)</u>	 <u>4,498,848</u>	 <u>14,200,396</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 4,653,416</u>	 <u>\$ 5,602,688</u>	 <u>\$ 661,690</u>	 <u>\$ 6,023,099</u>	 <u>\$ 16,940,893</u>

See Notes to Financial Statements

ANTRIM COUNTY
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
DECEMBER 31, 2007

Fund Balances - Total Governmental Funds	\$ 14,200,396
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Amounts reported for *governmental activities* in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Capital Assets - at Cost	21,309,695
Accumulated Depreciation	(6,070,872)

Long-term liabilities are not due and payable in the current period, therefore, are not reported in the funds	<u>(200,981)</u>
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Net Assets of Governmental Activities	\$ 29,238,238
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See Notes to Financial Statements

ANTRIM COUNTY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	MAJOR FUNDS				
	GENERAL	REVENUE	SERVICES	OTHER	
	FUND	SHARING	FOR AGED	FUNDS	TOTAL
		RESERVE			
REVENUES					
Taxes	\$ 9,121,735	\$ -	\$ 605,801	\$ -	\$ 9,727,536
Licenses and Permits	155,963	-	-	615,359	771,322
Intergovernmental Revenue:					
Federal	98,396	-	88,183	107,243	293,822
State	765,607	-	50,843	353,410	1,169,860
Other Local Units	-	-	-	13,598	13,598
Charges for Services	1,195,414	-	241,982	678,539	2,115,935
Fines and Forfeits	2,300	-	-	3,500	5,800
Interest and Rents	524,462	-	22,642	328,650	875,754
Other Revenue	<u>252,534</u>	<u>-</u>	<u>19,429</u>	<u>370,935</u>	<u>642,898</u>
TOTAL REVENUES	<u>12,116,411</u>	<u>-</u>	<u>1,028,880</u>	<u>2,471,234</u>	<u>15,616,525</u>
EXPENDITURES					
Current					
Legislative	170,958	-	-	-	170,958
Judicial	1,799,865	-	-	24,263	1,824,128
General Government	3,124,694	-	-	92,641	3,217,335
Public Safety	2,975,791	-	-	1,734,925	4,710,716
Public Works	23,424	-	-	-	23,424
Health and Welfare	579,247	-	995,853	685,609	2,260,709
Community/Economic Development	310,600	-	-	-	310,600
Recreation and Cultural	275,609	-	-	227,089	502,698
Capital Outlay	143,663	-	-	1,002,412	1,146,075
Debt Service:					
Principal	175,760	-	-	102,187	277,947
Interest and Other Charges	7,141	-	-	-	7,141
TOTAL EXPENDITURES	<u>9,586,752</u>	<u>-</u>	<u>995,853</u>	<u>3,869,126</u>	<u>14,451,731</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,529,659</u>	<u>-</u>	<u>33,027</u>	<u>(1,397,892)</u>	<u>1,164,794</u>
OTHER FINANCING SOURCES (USES)					
Proceeds From Lease Purchase	-	-	-	289,178	289,178
Transfers In	223,550	-	15,000	1,697,013	1,935,563
Transfers (Out)	<u>(1,073,845)</u>	<u>(416,197)</u>	<u>(40,000)</u>	<u>(413,942)</u>	<u>(1,943,984)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(850,295)</u>	<u>(416,197)</u>	<u>(25,000)</u>	<u>1,572,249</u>	<u>280,757</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,679,364	(416,197)	8,027	174,357	1,445,551
FUND BALANCES, BEGINNING OF YEAR	<u>2,449,530</u>	<u>6,001,346</u>	<u>(20,522)</u>	<u>4,324,491</u>	<u>12,754,845</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,128,894</u>	<u>\$ 5,585,149</u>	<u>\$ (12,495)</u>	<u>\$ 4,498,848</u>	<u>\$ 14,200,396</u>

See Notes to Financial Statements

ANTRIM COUNTY
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
FOR THE YEAR ENDED DECEMBER 31, 2007

Net Change in Fund Balances - Total Governmental Funds	\$	1,445,551
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Amounts reported for *governmental activities* in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense.

Add - Capital Outlay		1,146,075
Deduct - Depreciation Expense		(319,191)

Debt proceeds provide current financial resources to governmental funds
in the period issued, but issuing debt increases long-term liabilities in the
Statement of New Assets. Repayment of debt principal is an expenditure
in the governmental funds, but the repayment reduces long-term liabilities
in the Statement of Net Assets

Add - Principal Payments on Long-Term Liabilities		277,947
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Lease/purchase proceeds is recorded as revenue in the funds but not recorded as revenue in the Statement of Activities		<div style="border-top: 1px solid black; display: inline-block;">(289,178)</div>
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Change in Net Assets of Governmental Activities	\$	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">2,261,204</div>
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See Notes to Financial Statements

ANTRIM COUNTY
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	MAJOR FUNDS			
	100% TAX	MEDICAL		
	PAYMENT	CARE	OTHER	TOTAL
		FACILITY		
ASSETS				
Current Assets				
Cash	\$ 51,915	\$ 3,581,251	\$ 731,343	\$ 4,364,509
Investments	6,900,000	736,945	-	7,636,945
Receivables:				
Accounts	10,046	936,215	60,396	1,006,657
Taxes	-	1,360,794	-	1,360,794
Delinquent Taxes	1,514,037	-	-	1,514,037
Interest and Penalties	346,570	-	-	346,570
Due from State	-	-	40,773	40,773
Due from Other Funds	207,473	-	-	207,473
Prepaid Expenses	-	31,882	6,324	38,206
Inventories	-	-	14,413	14,413
Capital Assets - net	-	2,376,120	2,398,822	4,774,942
TOTAL ASSETS	9,030,041	9,023,207	3,252,071	21,305,319
LIABILITIES				
Accounts Payable	-	312,832	88,485	401,317
Accrued Liabilities	-	624,575	18,664	643,239
Due to Other Funds	-	-	5,372	5,372
Bonds Payable	-	-	165,000	165,000
Deferred Revenue	-	1,358,878	148,230	1,507,108
TOTAL LIABILITIES	-	2,296,285	425,751	2,722,036
NET ASSETS				
Investment in Capital Assets, Net of				
Related Debt	-	2,376,120	2,233,822	4,609,942
Unrestricted net assets	8,190,972	3,910,907	592,498	12,694,377
Restricted net assets	839,069	439,895	-	1,278,964
TOTAL NET ASSETS	\$ 9,030,041	\$ 6,726,922	\$ 2,826,320	\$ 18,583,283

See Notes to Financial Statements

ANTRIM COUNTY
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
DECEMBER 31, 2007

	MAJOR FUNDS			
	100% TAX PAYMENT	MEDICAL CARE FACILITY	OTHER	TOTAL
OPERATING REVENUES				
Interest and Penalties on Taxes	\$ 327,845	\$ -	\$ -	\$ 327,845
Charges for Services	266,816	9,932,089	591,760	10,790,665
Sale of Properties at Tax Auction	115,305	-	-	115,305
Other Income	-	61,576	24,263	85,839
TOTAL OPERATING REVENUES	709,966	9,993,665	616,023	11,319,654
OPERATING EXPENSES				
Salary Expense	-	5,996,284	488,030	6,484,314
Fringe Benefit Expense	-	1,696,999	255,568	1,952,567
Other Expenses	122,514	2,898,091	522,060	3,542,665
Depreciation Expense	-	311,596	269,416	581,012
TOTAL OPERATING EXPENSES	122,514	10,902,970	1,535,074	12,560,558
OPERATING INCOME (LOSS)	587,452	(909,305)	(919,051)	(1,240,904)
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	317,578	224,819	23,702	566,099
Interest Expense	-	-	(9,208)	(9,208)
Tax Levy	-	1,091,147	-	1,091,147
Restricted Donations/Income	-	6,206	-	6,206
Gain(Loss) on Sale of Assets	-	(32,763)	223,055	190,292
Federal Grants	-	-	186,645	186,645
State Grants	-	-	310,832	310,832
TOTAL NONOPERATING REVENUES (EXPENSES)	317,578	1,289,409	735,026	2,342,013
INCOME BEFORE OPERATING TRANSFERS	905,030	380,104	(184,025)	1,101,109
TRANSFERS				
Transfers from Other Funds	-	-	293,421	293,421
Transfers to Other Funds	(285,000)	-	-	(285,000)
TOTAL TRANSFERS	(285,000)	-	293,421	8,421
CHANGE IN NET ASSETS	620,030	380,104	109,396	1,109,530
NET ASSETS, BEGINNING OF YEAR - AS RESTATED	8,410,011	6,346,818	2,716,924	17,473,753
NET ASSETS, END OF YEAR	\$ 9,030,041	\$ 6,726,922	\$ 2,826,320	\$ 18,583,283

See Notes to Financial Statements

ANTRIM COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

	MAJOR FUNDS			
	100% TAX PAYMENT	MEDICAL CARE FACILITY	OTHER	TOTAL
Cash Flows from Operating Activities:				
Cash received from customers	\$ -	\$ 9,822,804	\$ 612,103	\$ 10,434,907
Cash received from sale of taxes at auction	115,305	-	-	115,305
Cash payments for goods and services	(124,483)	(10,449,378)	(475,588)	(11,049,449)
Cash received from penalties and interest on delinquent taxes	549,816	-	-	549,816
Cash received from other sources	-	61,576	-	61,576
Cash payments to employees for services/fringe benefits	-	-	(736,238)	(736,238)
Cash received for delinquent taxes	3,345,869	-	-	3,345,869
Cash payments for delinquent taxes	(3,636,803)	-	-	(3,636,803)
Net Cash Provided (Used) by Operating Activities	249,704	(564,998)	(599,723)	(915,017)
Cash Flows from Non Capital Financing Activities:				
Transfers from (to) other funds	(285,000)	-	293,421	8,421
Proceeds from county tax levy	-	1,091,364	-	1,091,364
Contributions received	-	6,206	-	6,206
Insurance proceeds	-	-	148,230	148,230
Operating grants received	-	-	328,617	328,617
Net Cash Provided (Used) by Non Capital Financing Activities	(285,000)	1,097,570	770,268	1,582,838
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	-	(635,529)	(183,059)	(818,588)
Capital acquisition grants - received in cash	-	-	136,093	136,093
Principal paid on bonds	-	-	(25,000)	(25,000)
Interest paid on bonds	-	-	(9,208)	(9,208)
Loans to other funds	(207,473)	-	-	(207,473)
Proceeds from sale of property and equipment	-	-	229,816	229,816
Net Cash Provided (Used) by Capital and Related Financing Activities	(207,473)	(635,529)	148,642	(694,360)
Cash Flows from Investing Activities:				
Proceeds from sale (purchase of) investments	-	-	-	-
Interest Received	317,578	224,821	23,702	566,101
Net Cash Provided by Investing Activities	317,578	224,821	23,702	566,101
Net Increase (Decrease) in Cash and Cash Equivalents	74,809	121,864	342,889	539,562
Cash and Cash Equivalents, Beginning of Year	6,877,106	4,196,332	388,454	11,461,892
Cash and Cash Equivalents, End of Year	\$ 6,951,915	\$ 4,318,196	\$ 731,343	\$ 12,001,454

See Notes to Financial Statements

ANTRIM COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (Continued)
 FOR THE YEAR ENDED DECEMBER 31, 2007

	ENTERPRISE FUNDS			
	100% TAX PAYMENT	MEDICAL CARE FACILITY	OTHER	TOTAL
Operating Income (Loss)	\$ 587,452	\$ (909,305)	\$ (919,051)	\$ (1,240,904)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	-	311,596	269,416	581,012
Provision for bad debt	-	42,259	-	42,259
Changes in Assets and Liabilities:				-
(Increase) Decrease in Accounts Receivable	(10,046)	(187,656)	(3,920)	(201,622)
(Increase) Decrease in Delinquent Taxes Receivable	(280,888)	-	-	(280,888)
(Increase) Decrease in Interest and Penalties Receivable	(44,845)	-	-	(44,845)
(Increase) Decrease in Inventories	-	-	4,668	4,668
(Increase) Decrease in Other Current Assets	-	78,368	126	78,494
Increase (Decrease) in Accounts Payable	(1,969)	3,237	36,306	37,574
Increase (Decrease) in Accrued Liabilities Deferred Revenues	-	96,503	12,732	109,235
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 249,704</u>	<u>\$ (564,998)</u>	<u>\$ (599,723)</u>	<u>\$ (915,017)</u>
Cash and Cash Equivalents on Balance Sheet				
Cash				\$ 4,364,509
Investments				<u>7,636,945</u>
Total Cash and Cash Equivalents				\$ 12,001,454

See Notes to Financial Statements

ANTRIM COUNTY
STATEMENT OF FIDUCIARY FUND NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2007

<u>ASSETS</u>	
Cash	\$ 534,804
TOTAL ASSETS	\$ 534,804
<u>LIABILITIES</u>	
Due to Other Governmental Units	\$ 198,186
Undistributed Collections	271,248
Other Liabilities	<u>65,370</u>
TOTAL LIABILITIES	\$ 534,804

See Notes to Financial Statements

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

DESCRIPTION OF COUNTY OPERATIONS AND FUND TYPES

The County was organized in 1863 and covers an area of approximately 475 square miles with the County seat located in Bellaire, Michigan. The County operates under an elected Board of Commissioners of nine (9) members and provides services, assistance and care to its more than 23,000 residents, primarily from the operations of its General Fund and Special Revenue Funds. The County's services, assistance and care includes the (1) general county departments, boards and commissions; (2) court system administration; (3) law enforcement and corrections; (4) assistance and/or institutional care to the aged, needy, wards of the court and neglected children, public and mental health recipients; (5) libraries, and (6) recreation.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles as applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

REPORTING ENTITY

The accompanying financial statements present the County (primary government) and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units, on the other hand are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity" and the State of Michigan Department of Treasury established criteria for governmental organizations to be considered to be part of the County for financial reporting purposes. The criteria included oversight responsibility, fiscal dependency and whether the statements would be misleading if data were not included.

The financial statements of certain governmental organizations are not included in the financial statements of the County: (1) Education services which are provided to citizens through the several local school districts that are separate governmental entities.

DISCRETELY PRESENTED COMPONENT UNIT

The Antrim County Road Commission is considered a component unit of the County. It's financial statement is discretely presented in the County combined financial statements as required by accounting principles generally accepted in the United States of America revised under GASB 14. The road commission data is shown in the column entitled road commission and is discretely presented to emphasize that the road commission has its own board, appointed by the board of commissioners, and acts, under Michigan Statute as a separate board. Complete financial statements of the Road Commission Component Unit can be obtained directly from the Road Commission office at 319 East Lincoln St., Mancelona, Michigan 49659.

JOINTLY GOVERNED ORGANIZATIONS

The North Country Community Mental Health Authority consists of the counties of Otsego, Emmet, Charlevoix, Cheboygan, Antrim and Kalkaska. Financial records for this Authority are maintained by the mental health authority and are audited separately from any of the member counties. A copy of a financial statement and audit report would be available at the Authority office located at 1 MacDonald Drive, Suite A, Petoskey, Michigan 49770.

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The funding formula for the Community Mental Health operations is in accordance with an agreement approved by all of the member counties and the local contribution was frozen, by statute, at the amount contributed in the year 2002. For 2007 Antrim County's local match was \$145,611. Their financial statements are not required, under GASB No. 14, to be included in the Antrim County report.

The 86th District Court is comprised of Antrim, Grand Traverse and Leelanau Counties. The court funding formula is based upon caseload. All of Antrim County's expenses for the operation of the court are recorded in the general fund under the District Court caption.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a countywide cost allocation plan, which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

GENERAL FUND This fund is the County's the primary general operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

REVENUE SHARING RESERVE FUND – This fund was established by the State of Michigan during 2004 as a result of legislation that in effect shifted an obligation formerly funded by the State to the local taxpayers by levying taxes sooner and shifting the collection from winter to summer for County operating taxes.

SERVICES FOR AGED

This fund accounts for the programs provided for senior citizens in Antrim County and includes the congregate and home delivered meal programs.

The County reports the following major enterprise funds:

MEADOW BROOK MEDICAL CARE FACILITY – This fund is a 113 bed long-term medical care facility.

DELINQUENT PROPERTY TAX FUND – This fund is used to pay each local governmental unit, including the County General Fund, the respective amount of taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

Additionally, the County reports the following fund types:

SPECIAL REVENUE FUNDS - These funds are used to account for specific revenues derived primarily from sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

DEBT SERVICE FUNDS – account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the Building Authority.

CAPITAL PROJECTS FUNDS - The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities other than those financed by enterprise funds or special assessments.

AGENCY FUNDS – are used to account for assets held on behalf of outside parties, including other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidelines.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are interest and penalties on delinquent taxes and charges for services provided. The principal operating revenues of the County's internal service funds are charges to County departments for equipment amortization and insurance coverage. Operating expenses for the enterprise funds consist of administrative expenses. Operating expenses for the internal service funds include the cost of services (including claims), administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

BUDGETS AND BUDGETARY ACCOUNTING

PRIMARY GOVERNMENT

A budget is adopted by the Board of Commissioners in accordance with Michigan Public Act 621 of 1978. The Uniform Budgeting and Accounting Act, for the general and special revenue funds. The Board amends the budget as necessary during the year. The budget is adopted on the modified accrual basis of accounting consistent with the actual financial statements for these funds. The budget is adopted at the activity level and control is exercised at the activity level for the General Fund and Special Revenue Funds. All budget appropriations lapse at the end of each fiscal year.

The County does not use encumbrances in its accounting system.

DISCRETE COMPONENT UNIT

Budgetary procedures are established pursuant to Michigan Public Act 621, PA 1978, as amended, (MCL 141.421) which requires the County Board of Road Commissioners to approve a budget for the County Road Fund. Pursuant to the Act, the Road Commission's chief financial officer prepares and submits a proposed operating budget to the Board of Road commissioners for its review and consideration. The budget is amended as necessary during the year, and is approved by the Board. The budget is prepared on the modified accrual basis of accounting, which is the same basis utilized for the fund financial statements.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

BANK DEPOSITS AND INVESTMENTS – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair market value.

RECEIVABLES AND PAYABLES – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CURRENT PROPERTY TAX LEVY - The County property tax is levied each December 1 and July 1 on the taxable valuation of property located in the County as of the preceding December 31.

Beginning with the 2004 tax levy the State has mandated the creation of a Revenue Sharing Reserve fund into which one-third of the County's 2004 ad valorem operating tax is being recognized and deposited each year for three years. The purpose of the fund is to accumulate reserves of the County's own local tax dollars from which an amount similar to Revenue Sharing payments, formerly made by the State, will be made back to the General Fund. As part of this process, the County's operating tax levy has shifted over the past three years from winter to summer. For 2007 the entire County operating levy will be levied in the summer.

The County's Winter 2006 and Summer 2007 ad valorem taxes were levied and collectible on December 1, 2006 and July 1, 2007, respectively. It is the County's policy to recognize revenues from the tax levy in the year when the proceeds of the levy are budgeted and made available for the financing of County operations. As a result, the County's Winter 2006 and Summer 2007 tax levies have been recognized as revenue in the current fiscal year. The 2006 taxable value of Antrim County amounted to \$1,589,969,292 on which ad valorem taxes levies for county general operating purposes consisted of 1.7685 mills for Winter 2006 and the 2007 taxable value amounted to \$1,699,165,644 on which 5.1353 mills for Summer 2007. The winter 2006 levy was credited to the Revenue Sharing Reserve fund in the amount of \$2,308,622 with the final balance deposited into that fund. The remainder of the levy in an amount approximating \$469,000 was credited to the general fund. The Antrim County Commission on Aging levied .3803 mills for services related to the aging within the County. The County levied .8000 mills for services related to the Meadow Brook Medical Care Facility operations

By resolution of the Board of Commissioners and agreement with various taxing authorities, the County purchased at face value the real property taxes receivable returned delinquent on March 1, 2007. Subsequent collections of delinquent taxes receivable, plus interest thereon and investment earnings, are used to repay the funds distributed by the Delinquent Tax Revolving fund. This activity is accounted for in the Delinquent Tax Revolving (Enterprise) Fund.

TAXES RECEIVABLE - DELINQUENT - The taxes receivable of \$1,514,037 which are recorded in the Enterprise 100% Tax Payment Fund, consist of the unpaid delinquent real property taxes which were purchased from all of the taxing units in Antrim County by the County's 100% Tax Payment Fund.

INVENTORIES AND PREPAID ITEMS ROAD COMMISSION (COMPONENT UNIT) – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statement.

CAPITAL ASSETS – Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the activities column in the governmental assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building Improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Roads	10 to 30 years
Other Infrastructure	8 to 50 years
Vehicles	3 to 5 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 7 years

DEFERRED REVENUE – Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund type statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For new bond issuances after the implementation of GASB Statement No. 34, material bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt used is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FUND EQUITY - In the fund financial statements, governmental and business-type funds report reservations of fund balance for amounts that are not legally restricted for use for a specific purpose.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS / FUND DEFICITS

Public Act 621 of 1978, as amended, requires the adoption of a balanced budget for general and special revenue funds, as well as budget amendments as needed to prevent actual expenditures from exceeding those provided for in the budget. The approved budgets of the County for all budgetary funds were adopted at the department (activity) level.

PRIMARY GOVERNMENT

During the year ended December 31, 2007 expenditures were incurred in excess of the amounts appropriated in the amended budget of the special revenue fund types of the primary government as follows:

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 2- EXCESS OF EXPENDITURES OVER APPROPRIATIONS/FUND DEFICITS (CONTINUED)

	Amended Budget	Actual	Variance
Special Revenue Funds			
Grass River	\$ 318,930	\$ 322,911	\$ (3,981)
911 Operating	\$ 669,717	\$ 906,963	\$ (237,246)
Services For Aged	\$ 930,468	\$ 995,853	\$ (65,385)

Cash Deficit – The county incurred a cash deficit in the following fund:

Governmental: Special Revenue:

 Barnes Park Grant 04-06 \$ (17,087)

Fund Deficits – The County accumulated fund balance/retained earning deficits in the following individual fund.

Governmental: Special Revenue:

 Barnes Park Grant 04-06 \$ (1,077)
 Information Technology Transition \$ (11,291)
 Law Library \$ (761)
 Services for Aged \$ (12,495)

Public Act 275 of 1980 requires the County to file a deficit elimination plan within 90 days after December 31, 2007. The County has not filed the required plan, however, the deficits are expected to be eliminated in 2007 and an appropriate plan will be filed.

NOTE 3 - CASH AND INVESTMENTS

The captions on the accompanying balance sheet related to cash and investments are as follows:

	Imprest Cash	Cash/Checking and Savings	Investments	Total
Primary Government				
Government Activities	\$ 5,454	\$ 8,290,860	\$ 5,667,569	\$ 13,963,883
Business-type Activities	1,825	4,362,684	7,636,945	12,001,454
Agency Funds	-	534,804	-0-	534,804
Component Unit				
Road Commission	200	936,886	97,215	1,034,301
	<u>\$ 7,479</u>	<u>\$14,125,234</u>	<u>\$13,401,729</u>	<u>\$ 27,534,442</u>

Deposits - At year-end, the carrying amount of the County's deposits was \$14,125,234 and the bank balance of \$14,397,562 was classified as to risk as follows:

Insured \$ 1,282,937
Uninsured – Uncollateralized 12,842,297
\$ 14,125,234

Investments - Act 217, PA 1982, authorized the County to deposit and invest in the following:

- (a) bonds, securities and other direct obligations of the United States or its agencies
- (b) certificates of deposit, savings and accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the National Credit Union Administration that are eligible to be depository of surplus money belonging to the State and maintains a principal office or branch office in Michigan.

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

- (c) commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- (d) United States government or Federal agency obligation repurchase agreements
- (e) bankers' acceptance of United States banks
- (f) mutual funds properly registered with the State of Michigan, composed of investments which are legal for direct investments by local units of government in Michigan.

As of December 31, 2007 the carrying amounts and market values for each investment are as follows:

<u>INVESTMENT TYPE</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Moody's Rating</u>	<u>Weighted Average Maturity</u>
J P Morgan Chase - Michigan MM Fund	\$ 702,197	\$ 702,197	N/A	1 DAY
Citizens Bank - Treasury Portfolio Class B	5,811,938	5,811,938	N/A	1 DAY
National City Bank - MM Sweep	9,000	9,000	N/A	1 DAY
MBIA Class fund	4,019,734	4,019,734	N/A	1 DAY
Merrill Lynch Govt Securities Fund	97,215	97,215	N/A	1 DAY
LaSalle Bank MMA/Govt Portfolio	116,129	116,129	N/A	1 DAY
UBS financial - MMKT	499,084	499,084	N/A	1 DAY
Citigroup Commercial Paper	2,146,432	2,159,358	Aaa	92 DAYS
Total Investments Per Report	<u>\$ 13,401,729</u>	<u>\$ 13,414,655</u>		

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). The county's investments all meet State statutes.

Interest Rate Risk

The County has not adopted a policy that indicates how the County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

Concentration of Credit Risk

The County has not adopted a policy that indicates how the County will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the County's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

The County has not adopted a policy that indicates how the County will minimize custodial credit risk, which is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments of collateral securities that are in possession of an outside party.

NOTE 4 – RECEIVABLES / DEFERRED REVENUE

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Services For Aged	Non-Major And Other Funds	Total
Taxes Receivable	\$ 726,997	\$ 646,193	\$ -	\$ 1,373,190
Accounts	20,856	-	46,378	67,234
Mortgages	-	-	1,218,810	1,218,810
Intergovernmental	169,616	8,052	112,446	290,114
Net Receivables	<u>\$ 917,469</u>	<u>\$ 654,245</u>	<u>\$ 1,377,634</u>	<u>\$ 2,949,348</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Unavailable	Unearned	Total
Delinquent Property Taxes	\$ 646,193	\$ -	\$ 646,193
Housing Fund Mortgages	-	1,218,810	1,218,810
	<u>\$ 646,193</u>	<u>\$ 1,218,810</u>	<u>\$ 1,865,003</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Due To/From Other Funds			
General Fund	\$ 21,305	General Fund	\$ 129,973
Non-Major Governmental Funds	6,357	Revenue Sharing Reserve	17,539
		Non-Major Governmental Funds	82,251
100% Tax Payment Fund	<u>207,473</u>	Non-Major Proprietary Funds	<u>5,372</u>
Total	<u>\$ 235,135</u>		<u>\$ 235,135</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS –(CONTINUED)

Interfund Transfers

	Operating Transfers In	Operating Transfers Out	Total
<u>Transfers</u>			
General Fund	\$ 223,550	\$ (1,073,845)	\$ (850,295)
Revenue Sharing Reserve Fund	-	(416,197)	(416,197)
Services For Aged Fund	15,000	(40,000)	(25,000)
Non Major Governmental Funds	1,697,013	(413,942)	1,283,071
Proprietary Funds	293,421	(285,000)	8,421
Total	<u>\$ 2,228,984</u>	<u>\$ (2,228,984)</u>	<u>\$ -</u>

Transfers between funds are all normal recurring transfers needed to transfer funds from revenue generating funds to funds required under statute or by county designation to expend the funds.

NOTE 6 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Balance 1/1/07	Additions	Disposals	Balance 12/31/07
Capital assets not being depreciated:				
Land	\$ 7,904,365	\$ 164,000	\$ -	\$ 8,068,365
Subtotal	<u>7,904,365</u>	<u>164,000</u>	<u>-</u>	<u>8,068,365</u>
Capital assets being depreciated:				
Buildings	8,491,465	87,757	-	8,579,222
Land Improvements	1,517,750	-	-	1,517,750
Machinery and Equipment	2,267,246	894,318	17,206	3,144,358
Subtotal	<u>12,276,461</u>	<u>982,075</u>	<u>17,206</u>	<u>13,241,330</u>
Accumulated Depreciation:				
Buildings	3,097,584	144,242	-	3,241,826
Land Improvements	1,517,750	-	-	1,517,750
Machinery and Equipment	1,153,553	174,949	17,206	1,311,296
Subtotal	<u>5,768,887</u>	<u>319,191</u>	<u>17,206</u>	<u>6,070,872</u>
Net Capital Assets Being Depreciated	<u>6,507,574</u>	<u>662,884</u>	<u>-</u>	<u>7,170,458</u>
Net Capital Assets	<u>\$ 14,411,939</u>	<u>\$ 826,884</u>	<u>\$ -</u>	<u>\$ 15,238,823</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

Capital asset activity of the business-type activities for the current year was as follows:

	<u>1/1/07</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/07</u>
Capital assets not being depreciated:				
Land	\$ 203,694	\$ -	\$ -	\$ 203,694
Construction in progress	9,890	55,527	-	65,417
Capital assets being depreciated:				
Land Improvements	222,998	6,100	-	229,098
Building	5,184,403	508,188	66,680	5,625,911
Furniture, Fixtures, & Equipment	4,102,230	162,173	129,950	4,134,453
Vehicles	<u>1,341,220</u>	<u>86,600</u>	<u>235,710</u>	<u>1,192,110</u>
Subtotal	<u>10,850,851</u>	<u>763,061</u>	<u>432,340</u>	<u>11,181,572</u>
Accumulated Depreciation:				
Land Improvements	103,157	15,331	-	118,488
Building	3,464,596	190,494	41,620	3,613,470
Furniture, Fixtures, & Equipment	1,831,806	261,403	115,485	1,977,724
Vehicles	<u>1,087,985</u>	<u>113,784</u>	<u>235,710</u>	<u>966,059</u>
Subtotal	<u>6,487,544</u>	<u>581,012</u>	<u>392,815</u>	<u>6,675,741</u>
Net Capital Assets Being Depreciated	<u>4,363,307</u>	<u>182,049</u>	<u>39,525</u>	<u>4,505,831</u>
Net Business Type Activities Capital Assets	<u>\$ 4,576,891</u>	<u>\$ 237,576</u>	<u>\$ 39,525</u>	<u>\$ 4,774,942</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
Judicial	\$ 32,448
General government	42,838
Public Safety	193,533
Health and Welfare	36,641
Recreation and Culture	<u>13,731</u>
Total Governmental Activities	<u>\$ 319,191</u>
Business-Type Activities	
Medical Care Facility	311,596
Airport	122,961
Hydro Electric	25,421
Transportation	<u>121,034</u>
Total Business-Type Activities	<u>\$ 581,012</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 6 - CAPITAL ASSETS (CONTINUED)

DISCRETE COMPONENT UNIT – The following is a summary of changes in Capital Assets for the Road Commission.

	Balance <u>1/1/07</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/07</u>
Capital assets not being depreciated:				
Land	\$ 58,250	\$ -	\$ -	\$ 58,250
Infrastructure and Land Improvements	<u>12,183,395</u>	<u>441,474</u>	<u>-</u>	<u>12,624,869</u>
Subtotal	<u>12,241,645</u>	<u>441,474</u>	<u>-</u>	<u>12,683,119</u>
Capital assets being depreciated:				
Buildings	2,461,446	5,600	15,361	2,451,685
Equipment - Road	5,464,456	-	-	5,464,456
Equipment - Shop	140,162	-	-	140,162
Equipment - Office	107,288	-	-	107,288
Equipment - Engineering	46,423	-	-	46,423
Equipment - Yard & Storage	928,133	-	-	928,133
Infrastructure - Bridges	1,149,439	-	-	1,149,439
Infrastructure - Roads	<u>18,006,564</u>	<u>1,071,952</u>	<u>-</u>	<u>19,078,516</u>
Subtotal	<u>28,303,911</u>	<u>1,077,552</u>	<u>15,361</u>	<u>29,366,102</u>
Accumulated Depreciation:				
Buildings	711,767	60,227	-	771,994
Equipment - Road	4,813,584	253,497	15,361	5,051,720
Equipment - Shop	108,862	8,134	-	116,996
Equipment - Office	96,399	5,669	-	102,068
Equipment - Engineering	44,901	1,303	-	46,204
Equipment - Yard & Storage	795,245	43,301	-	838,546
Infrastructure - Bridges	484,255	34,091	-	518,346
Infrastructure - Roads	<u>7,984,235</u>	<u>911,377</u>	<u>-</u>	<u>8,895,612</u>
Subtotal	<u>15,039,248</u>	<u>1,317,599</u>	<u>15,361</u>	<u>16,341,486</u>
Net Capital Assets Being Depreciated	<u>13,264,663</u>	<u>(240,047)</u>	<u>-</u>	<u>13,024,616</u>
Net Component Unit Capital Assets	<u>\$ 25,506,308</u>	<u>\$ 201,427</u>	<u>\$ -</u>	<u>\$ 25,707,735</u>
Depreciation was charged to operations as follows:				
Primary Roads	\$ 395,969			
Local roads	549,499			
Equipment	365,159			
Administration	<u>6,972</u>			
Total	<u>\$ 1,317,599</u>			

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 7 - LONG-TERM DEBT

Following is a summary of pertinent information concerning the County's long-term debt:

Outstanding Debt Descriptions:

	Governmental Activities	Business Type Activities	Total
Motorola Equipment Lease	\$ 186,991	\$ -	\$ 186,991
Ford Motor Pick-up Lease	13,990	-	13,990
Elk Rapids Hydroelectric Revenue Bonds	-	165,000	165,000
Total	<u>\$ 200,981</u>	<u>\$ 165,000</u>	<u>\$ 365,981</u>

Changes in Long-Term Debt

	Governmental Activities	Business Type Activities	Total
January 1, 2007	\$ 189,750	\$ 190,000	\$ 379,750
Additions	289,178	-	289,178
Reductions	(277,947)	(25,000)	(302,947)
December 31, 2007	<u>\$ 200,981</u>	<u>\$ 165,000</u>	<u>\$ 365,981</u>

GENERAL GOVERNMENT

GOVERNMENTAL ACTIVITIES

Description – The County purchased 911 equipment using a Motorola lease/purchase plan.

Security – The lease/purchase is secured by the equipment being financed.

Interest rate – The 911 equipment rate is 6.136% per annum.

Description – The County purchased a pick-up using a Ford Motor Company lease/purchase plan.

Security – The lease/purchase is secured by the equipment being financed.

Interest rate – The pick-up rate is 7.0% per annum.

Annual Debt Service Requirements - 911 Equipment

	<u>2008</u>	<u>2009</u>	<u>Total</u>
Principal	\$ 90,713	\$ 96,278	\$ 186,991
Interest	11,474	5,908	17,382
Total	<u>\$ 102,187</u>	<u>\$ 102,186</u>	<u>\$ 204,373</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Annual Debt Service Requirements - Pick-up

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
Principal	\$ 4,352	\$ 4,656	\$ 4,982	\$ 13,990
Interest	979	675	349	2,003
Total	<u>\$ 5,331</u>	<u>\$ 5,331</u>	<u>\$ 5,331</u>	<u>\$ 15,993</u>

BUSINESS TYPE ACTIVITY - 100% TAX PAYMENT FUND

Description - Enterprise - 100% Tax Payment Fund general obligation tax notes are issued by the County to purchase delinquent taxes and special assessments except taxes on personal property, due and payable to the taxing units in the County. No borrowing occurred during 2007. The Tax Payment Fund self funded the tax payoff.

BUSINESS TYPE ACTIVITY- ELK RAPIDS HYDROELECTRIC PLANT

Description - Enterprise - Elk Rapids Hydroelectric FmHA revenue bonds were issued to the County to provide for the rehabilitation and improvement of the Elk Rapids Hydroelectric Plant. The bonds are titled Electric Utility System Revenue Refinancing Bonds. The balance at December 31, 2007 was \$165,000.

Security - The revenue bonds are secured by Operating revenues provided for in a certain agreement between Antrim County, Michigan and the Traverse City Light and Power Board.

Interest Rate - 6.6 - 7.55% payable November 1 and May 1 of each year.

Annual Debt Service Requirements:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Other</u>	<u>Total</u>
Principal	\$ 25,000	\$ 30,000	\$ 35,000	\$ 40,000	\$ 35,000	\$ 165,000
Interest	8,020	6,820	5,350	160	-0-	20,350
Total	<u>\$ 33,020</u>	<u>\$ 36,820</u>	<u>\$ 40,350</u>	<u>\$ 40,160</u>	<u>\$ 35,000</u>	<u>\$ 185,350</u>

Total Primary Government Annual Debt Service Requirements

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Other</u>	<u>Total</u>
Principal	\$ 120,065	\$ 130,934	\$ 39,982	\$ 40,000	\$ 35,000	\$ 365,981
Interest	20,473	13,403	5,699	160	-0-	39,735
Total	<u>\$ 140,538</u>	<u>\$ 144,337</u>	<u>\$ 45,681</u>	<u>\$ 40,160</u>	<u>\$ 35,000</u>	<u>\$ 405,716</u>

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 7 - LONG-TERM DEBT (CONTINUED)

DISCRETE COMPONENT UNIT

The long-term debt of the Road Commission is summarized as follows:

	Balance 01/01/2007	Additions (Reductions)	Balance 12/31/2007
Bonds Payable	\$ 415,000	\$ (205,000)	\$ 210,000
Compensated Absences	212,907	(27,702)	185,205
Total	<u>\$ 627,907</u>	<u>\$ (232,702)</u>	<u>\$ 395,205</u>

The annual debt service requirements to maturity for bonds payable as of December 31, 2007, is summarized as follows:

The Michigan Transportation Fund Notes, Series 2006 were used for the purpose of renovation and reconstruction of the Mancelona garage.

Michigan Transportation Fund Notes, Series 2006

Date of Issue: July 1, 2006

Amount: \$ 995,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal</u>	<u>Interest June 1</u>	<u>Interest December 1</u>	<u>Total</u>
2.00%	06/01/08	\$ 210,000	\$ 2,100	\$ -0-	\$ 212,100
		<u>\$ 210,000</u>	<u>\$ 2,100</u>	<u>\$ -0-</u>	<u>\$ 212,100</u>

Compensated absences are for accumulated personal, sick and vacation days. At December 31, 2007 the total accumulated liability was \$185,205.

NOTE 8 - PENSION PLANS

PRIMARY GOVERNMENT

Plan Description - Antrim County participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity that has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, which includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 447 N. Canal Road, Lansing, Michigan 48917.

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 8 - PENSION PLANS (CONTINUED)

All full time County employees are eligible to participate in the system. Benefits vest after ten years of service. General County employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of the member's 5-year final average compensation. The system also provides death and disability benefits that are established by State Statute.

Participating County employees are not required to contribute to the system. The County is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 1997. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (a) inflation, and (b) additional projected salary increases of 0.0% to 4.5% per year, depending on age, attributable to seniority/merit and (c) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2006 actuarial valuation to determine the annual employer contribution amounts. The entry age normal actuarial method was used to determine the entries at disclosure.

GASB 25 INFORMATION (as of 12/31/06)

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 7,337,797
Terminated employees not yet receiving benefits	1,217,436
Non-vested terminated employees(pending refunds of member contributions)	38,373
Current employees:	
Accumulated employee contributions including	
allocated investment income	769,127
Employer financed	14,502,999
Total Actuarial accrued liability	<u>23,865,732</u>
Net Assets Available for Benefits, at actuarial value	
(Market Value is 19,899,437)	19,624,905
Unfunded (over funded) actuarial accrued liability	<u>\$ 4,240,827</u>

GASB 27 INFORMATION (as of 12/31/06)

Fiscal year beginning	January 1, 2008
Annual required contribution (ARC)	\$ 954,204
Amortization factor used – Underfunded liabilities (30 years)	0.054719
– Underfunded liabilities (20 years)	0.069773
– Overfunded liabilities (10 years)	0.119963

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 8 - PENSION PLANS (CONTINUED)

Contributions Required and Contributions Made

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2006 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

<u>Year Ended December 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2004	\$ 674,928	100%	-0-
2005	838,464	100%	-0-
2006	830,472	100%	-0-

The County was required to contribute \$860,292 for the year ended December 31, 2007. Payments were based on contribution calculations made by MERS. This amount includes all departments of the County – General, sheriff, Medical Care and Transportation.

<u>Actuarial Valuation Date December 31,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % Of Covered Payroll</u>
2004	\$ 16,568,156	\$ 20,010,026	\$ 3,441,870	83%	\$ 9,054,278	38%
2005	17,942,859	21,688,579	3,745,720	83%	8,980,387	42%
2006	19,624,905	23,865,732	4,240,827	82%	10,031,008	42%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, 2000, and 2004 valuations. The funding method was changed to entry age normal for the 1993 valuation.

DISCRETE COMPONENT UNIT

Plan Description - Antrim County Road Commission participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity that has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 8 - PENSION PLANS (CONTINUED)

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, which includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 447 N. Canal Road, Lansing, Michigan 48917. The most recent report for which actuarial data was available was for the fiscal year ended December 31, 2006.

All full time County Road union and administrative employees are eligible to participate in the system. Benefits vest after ten years of service. Union employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of the member's 5-year final average compensation per year of service. Administrative employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of the member's 3-year final average compensation per year of service. In addition, both union and administrative employees with 30 years of service can elect to retire at age 55. The system also provides death and disability benefits that are established by State Statute.

Participating County Road employees are not required to contribute to the system. The County Road is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2006. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (a) inflation, and (b) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit and (c) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2006 actuarial valuation to determine the annual employer contribution amounts. The entry age normal actuarial method was used to determine the entries at disclosure.

GASB 25 INFORMATION (as of 12/31/06)

Actuarial Accrued Liability:

Retirees and beneficiaries currently receiving benefits	\$ 6,062,088
Terminated employees not yet receiving benefits	20,157

Current employees:

Accumulated employee contributions including	
allocated investment income	150,556
Employer financed	4,066,604
Total Actuarial accrued liability	<u>10,299,405</u>

Net Assets Available for Benefits, at actuarial value

(Market Value is 6,126,250)	6,480,184
Unfunded (over funded) actuarial accrued liability	<u>\$ 3,819,221</u>

GASB 27 INFORMATION (as of 12/31/06)

Fiscal year beginning	January 1, 2008
Annual required contribution (ARC)	\$ 351,360
Amortization factor used	0.054719

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 8 - PENSION PLANS (CONTINUED)

Contributions Required and Contributions Made

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2006 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

Annual Pension Cost

Year Ended December 31,	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2004	\$ 262,808	100%	-0-
2005	271,025	100%	-0-
2006	346,336	100%	-0-
2007	330,881	100%	-0-
2008	351,360	100%	-0-

The County Road Commission was required to contribute \$315,660 for the year ended December 31, 2007. Payments were based on contribution calculations made by MERS.

Actuarial Valuation Date December 31,	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % Of Covered Payroll
2004	\$ 6,272,727	\$ 9,521,436	\$ 3,248,709	66%	\$ 1,431,107	227.00%
2005	6,292,051	10,141,853	3,849,802	62%	1,540,770	250.00%
2006	6,480,184	10,299,405	3,819,221	63%	1,584,739	241.00%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997, 2000, and 2004 valuations. The funding method was changed to entry age normal for the 1993 valuation.

NOTE 9 - DEFERRED COMPENSATION PLAN

Antrim County and its component unit - Road Commission offer its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all county employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

In the past, the County was custodian of the assets in the plan and recorded the plan's activity in accordance with GASB requirements in the financial statements. In 1999 GASB Statement 32 was implemented and custodianship of the plan was transferred to an independent third party. Balances for deferred compensation are no longer reported in the financial statements.

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 10 - POST EMPLOYMENT HEALTH CARE BENEFITS

PRIMARY GOVERNMENT - In addition to pension benefits described in note G the County employment agreement with Sheriff department employees provides for certain post employment health care coverage. For Sheriff Department employees retiring after 1/1/91 with a combined age and service of at least 70, \$125/200 per month will be paid by the County towards health care coverage. This benefit expires 10 years after retirement date. During 2007 seven employees had retired who were eligible for these benefits. The cost of these benefits is recognized when paid. For 2007, those costs approximated \$14,100. No other general County employees are eligible for these benefits.

DISCRETE COMPONENT UNIT - The Road Commission provides post retirement health care benefits to all employees who retire from the Road Commission. Any employee retiring after 7/1/89, who has completed at least ten years of service and is eligible for retirement will have \$150 per month contributed towards the employee and spouse coverage. Effective for retirees retiring after July 1, 1999 the Commission contribution will be \$200 per month and effective July 1, 2002 \$250 per month. There were 22 employees receiving benefits with an approximate annual cost of \$44,400

NOTE 11- RISK MANAGEMENT

PRIMARY GOVERNMENT - The County is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. Following is a summary of these self-insurance programs and risk management pool participation.

The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverage. The MMRMA was established in January 1980, pursuant to laws of the State of Michigan which authorize local units of government to jointly exercise any power, privilege or authority which each might exercise separately. The purpose of the Authority is to provide cooperative and comprehensive risk financing and risk control services. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the general fund (i.e., the Insurance Fund) using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs. The County is a State pool member and has deductibles that differ for each type of coverage.

Employee Benefits-Commercial Insurance Provider-Workers' Compensation

The County is a member of the Michigan Counties Workers' Compensation Fund. Full statutory coverage for worker's disability compensation and employers' liability is guaranteed by the fund for Michigan operations through authority granted by the State of Michigan under Chapter 6, Section 418.611.

At December 31, 2007, there were no claims that exceeded insurance coverage. The County had no significant reduction in insurance coverage from previous years.

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 11- RISK MANAGEMENT (CONTINUED)

ANTRIM COUNTY TRANSPORTATION

This enterprise fund is covered under the County policies for all risk except that associated with the vehicle fleet. That risk is covered by membership in the Michigan Transit Pool which is an insurance pool established pursuant to the laws of the State of Michigan

MEADOW BROOK MEDICAL CARE FACILITY

The Facility is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Facility has purchased commercial insurance workers' compensation claims, and participates in the County's insurance plan with the Michigan Municipal Risk Management risk pool for claims relating to general and auto liability, including malpractice, auto physical damage and property loss claims.

The Michigan Municipal Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums paid annually to the Authority are used to pay claims up to the retention limits, the ultimate liability for those claims remains with the County.

DISCRETE COMPONENT UNIT - Antrim County Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool established pursuant to the laws of the State of Michigan that authorize contracts between Municipal Corporations (inter-local agreements) to form group self-insurance pools.

The Pool was established for the purpose of making a self-insurance pooling program available that includes, but is not limited to, general liability coverage, vehicle liability coverage, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Antrim County Road Commission pays an annual premium to the Pool for property (buildings and contents) coverage, vehicle and equipment liability, bodily injury, property damage and personal injury liability. The Pool agreement provides that it shall be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance based upon limits determined by the Pool Board of Directors.

The Road Commission is also self-insured for worker's compensation as a member of the County Road Association Self Insurance Fund.

NOTE 12 – LITIGATION

In the normal course of its activities, the County is a party to various legal actions and subject to certain asserted claims and assessments. Although other actions have been brought, the County has not experienced any additional significant losses or costs. It is the County's opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE 13 – SEGMENT INFORMATION

The government issued revenue bonds to finance its hydroelectric project. The revenue bonds are secured by the operating revenues of the Elk Rapids Hydroelectric Fund provided for in a certain agreement between Antrim County, Michigan and the Traverse City Light and Power board. The activity is recorded in a major enterprise fund. Condensed financial information follows:

Condensed Statement of Net Assets

Assets	
Current Assets	\$ 488,734
Capital Assets	170,823
Total Assets	<u>659,557</u>
Liabilities	
Current Liabilities (including current portion of long-term debt)	25,208
Non current Liabilities	140,000
Total Liabilities	<u>165,208</u>
Net Assets	
Invested in Capital Assets (net of related debt)	5,823
Unrestricted	488,526
Total Net Assets	<u>\$ 494,349</u>

Condensed Statement of Revenue, Expenses, and Changes in Net Assets

Charges for Services (pledged against bonds)	\$ 59,678
Depreciation Expense	(25,421)
Other Operating Expenses	(20,177)
Operating Income	<u>14,080</u>
Nonoperating Revenue (Expense)	
Investment Earnings	14,763
Gain on Sale of Capital Assets	188,239
Interest Expense	(9,208)
Total Nonoperating Revenue/Expense	<u>193,794</u>
Changes in Net Assets	207,874
Beginning Net Assets	<u>286,475</u>
Ending Net Assets	<u>\$ 494,349</u>

Condensed Statement of Cash Flows

Net Cash Provided by (Used in)	
Operating Activities	\$ 65,837
Capital and Related Financing Activities	160,792
Investing Activities	<u>14,763</u>
Net Increase (Decrease)	241,392
Beginning Cash and Cash Equivalents	<u>247,342</u>
Ending Cash and Cash Equivalents	<u>\$ 488,734</u>

**ANTRIM COUNTY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007**

NOTE 14 – REVENUE SHARING RESERVE FUND / TAX LEVY

During 2004 the State of Michigan enacted legislation creating the Revenue Sharing Reserve Fund. All Michigan counties are required to set up the fund which was used to accumulate an additional tax levy which did, over a three year period amount to the 2004 total general operating levy. The county tax levy was previously collected between December and February and was, over the three year period, switched to July through September. The funds can be transferred annually for general operational use based upon a State mandated amount. The effect was to collect one year's tax in advance of previous collections. These funds will be used to offset the loss of State Revenue Sharing. In effect, a previous State obligation has been transferred to the local taxpayers.

NOTE 15 – PRIOR PERIOD ADJUSTMENT

PRIMARY GOVERNMENT

Governmental Funds/Proprietary Funds

The accompanying financial statements have been restated to reflect changes in net capital assets. During 2007 the County reclassified the airport operation from a general fund department to an enterprise fund. The County also had an outside organization update the capital asset listing. The net effect of the capital asset adjustments was as follows:

Governmental funds	\$ (982,265)
Enterprise funds	\$ 1,904,595

In addition, the Meadowbrook Medical Care Facility restated 2006 financial statements to correct an error for the incorrect classification of deferred tax revenue in the amount of \$1,108,188. This reclassification decreased net assets by that amount for the year ended December 31, 2006.

REQUIRED SUPPLEMENTARY INFORMATION

ANTRIM COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER/UNDER
REVENUES				
Taxes and Penalties	\$ 9,635,556	\$ 10,206,106	\$ 9,121,735	\$ (1,084,371)
Licenses and Permits	138,500	167,600	155,963	(11,637)
Intergovernmental Revenue:				
Federal	59,000	97,500	98,396	896
State	809,050	829,915	765,607	(64,308)
Charges for Services	1,239,680	1,312,180	1,195,414	(116,766)
Fines and Forfeits	4,000	4,000	2,300	(1,700)
Interest and Rents	395,000	508,700	524,462	15,762
Other Revenue	232,175	442,675	252,534	(190,141)
TOTAL REVENUES	12,512,961	13,568,676	12,116,411	(1,452,265)
EXPENDITURES				
Current				
Legislative	167,681	207,262	170,958	36,304
Judicial	1,971,833	2,009,476	1,799,865	209,611
General Government	3,917,146	3,997,743	3,124,694	873,049
Public Safety	3,160,207	3,312,241	2,975,791	336,450
Public Works	7,154	57,448	23,424	34,024
Health and Welfare	587,141	670,988	579,247	91,741
Community/Economic Development	344,778	359,932	310,600	49,332
Recreation and Culture	321,930	323,583	275,609	47,974
Capital Outlay	136,054	212,705	143,663	69,042
Debt Service:				
Principal	-	-	175,760	(175,760)
Interest	-	-	7,141	(7,141)
TOTAL EXPENDITURES	10,613,924	11,151,378	9,586,752	1,564,626
REVENUES OVER (UNDER) EXPENDITURES	1,899,037	2,417,298	2,529,659	112,361
OTHER FINANCING SOURCES (USES)				
Transfers In	-	163,400	223,550	60,150
Transfers (Out)	(1,236,286)	(1,264,286)	(1,073,845)	190,441
TOTAL OTHER FINANCING SOURCES (USES)	(1,236,286)	(1,100,886)	(850,295)	250,591
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	662,751	1,316,412	1,679,364	362,952
FUND BALANCES, BEGINNING OF YEAR	800,000	970,218	2,449,530	1,479,312
FUND BALANCES, END OF YEAR	\$ 1,462,751	\$ 2,286,630	\$ 4,128,894	\$ 1,842,264

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
TAXES AND PENALTIES				
Current Property Taxes	\$ 9,551,056	\$ 10,121,606	\$ 9,054,221	\$ (1,067,385)
Other	<u>84,500</u>	<u>84,500</u>	<u>67,514</u>	<u>(16,986)</u>
TOTAL TAXES AND PENALTIES	<u>9,635,556</u>	<u>10,206,106</u>	<u>9,121,735</u>	<u>(1,084,371)</u>
LICENSES AND PERMITS				
Dog and Kennel Licenses	13,000	13,000	9,057	(3,943)
Gun Permits	2,000	2,500	1,508	(992)
Marriage Licenses	1,000	1,200	1,100	(100)
Park Camping Permits and Fees	97,500	125,900	121,563	(4,337)
Earthchange	<u>25,000</u>	<u>25,000</u>	<u>22,735</u>	<u>(2,265)</u>
TOTAL LICENSES AND PERMITS	<u>138,500</u>	<u>167,600</u>	<u>155,963</u>	<u>(11,637)</u>
FEDERAL GRANTS				
Emergency Services	9,000	11,000	10,295	(705)
Marine Safety	-	20,000	20,000	-
Prosecuting Attorney Cooperative Reimbursement	<u>50,000</u>	<u>66,500</u>	<u>68,101</u>	<u>1,601</u>
TOTAL FEDERAL GRANTS	<u>59,000</u>	<u>97,500</u>	<u>98,396</u>	<u>896</u>
STATE GRANTS				
Probate Judges Salary	184,500	186,500	147,993	(38,507)
Salary Standardization	65,000	65,000	41,700	(23,300)
Family Court Detention	-	11,700	8,865	(2,835)
Court Equity Distribution	134,000	134,000	119,835	(14,165)
Secondary Road Patrol	62,000	64,200	58,008	(6,192)
Township Liquor Licenses	8,000	10,500	10,327	(173)
Probate Public Guardians	5,300	5,300	5,300	-
Drug Case	500	700	553	(147)
Marine Safety	47,600	29,600	29,136	(464)
Voters Registration	500	550	480	(70)
Juvenile Officer	30,000	30,000	27,317	(2,683)
Substance Abuse Testing	14,000	23,000	14,669	(8,331)
Cigarette Tax	12,908	12,908	11,153	(1,755)
MDOC Diverted Felons	3,000	3,000	1,699	(1,301)
Convention Facilities	141,142	141,847	146,093	4,246
Survey and Remonumentation	52,600	60,650	100,104	39,454
Juror Compensation Reimbursement	3,000	5,460	5,375	(85)
Victim's Rights	<u>45,000</u>	<u>45,000</u>	<u>37,000</u>	<u>(8,000)</u>
TOTAL STATE GRANTS	<u>809,050</u>	<u>829,915</u>	<u>765,607</u>	<u>(64,308)</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
CHARGES FOR SERVICES				
Circuit/Family Court Costs	\$ 25,000	\$ 38,900	\$ 22,099	\$ (16,801)
Circuit/Family Court Fees	50,550	52,250	35,820	(16,430)
District Court Costs	325,000	360,000	331,412	(28,588)
District Court Bond Fees	5,800	5,800	4,981	(819)
District Court Oversight Fees	42,500	46,800	27,001	(19,799)
District Court Civil Fees	18,000	25,000	24,390	(610)
District Court Ordinance Fees	50,000	30,000	27,019	(2,981)
Probate Court Services	9,500	13,000	11,530	(1,470)
Clerk - Certified Copies	8,000	8,000	7,619	(381)
Clerk - Passports	7,000	12,000	10,816	(1,184)
Clerk - Assumed Names	5,400	5,400	3,870	(1,530)
Clerk - Notary Fees	610	660	608	(52)
Clerk - Current Services	5,850	5,950	4,700	(1,250)
Child Care - Collection Fee	15,500	15,650	12,858	(2,792)
Abstract Services	73,500	69,800	88,387	18,587
Copying Services	15,200	15,200	13,625	(1,575)
Treasurer Services	2,650	3,650	3,063	(587)
Register of Deeds Services	289,200	295,900	264,862	(31,038)
Register Transfer Tax	180,000	180,000	144,015	(35,985)
Sheriff Services	63,220	86,920	114,629	27,709
Animal Control	-	-	4,445	4,445
Jail - Drug Testing/Medical	45,100	37,100	37,315	215
Miscellaneous	<u>2,100</u>	<u>4,200</u>	<u>350</u>	<u>(3,850)</u>
TOTAL CHARGES FOR SERVICES	<u>1,239,680</u>	<u>1,312,180</u>	<u>1,195,414</u>	<u>(116,766)</u>
FINES & FORFEITURES				
District Bond Forfeit	<u>4,000</u>	<u>4,000</u>	<u>2,300</u>	<u>(1,700)</u>
TOTAL FINES AND FORFEITURES	<u>4,000</u>	<u>4,000</u>	<u>2,300</u>	<u>(1,700)</u>
INTEREST EARNED	200,000	309,500	325,408	15,908
RENTS	195,000	199,200	199,054	(146)
OTHER REVENUE				
Prisoner Board	15,000	16,500	12,700	(3,800)
Township and Village Computer	70,000	74,000	68,747	(5,253)
Miscellaneous Refunds and Reimbursements	122,175	282,175	97,240	(184,935)
Insurance	<u>25,000</u>	<u>70,000</u>	<u>73,847</u>	<u>3,847</u>
TOTAL OTHER REVENUE	<u>232,175</u>	<u>442,675</u>	<u>252,534</u>	<u>(190,141)</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
TOTAL OTHER REVENUE	<u>\$ 12,512,961</u>	<u>\$ 13,568,676</u>	<u>\$ 12,116,411</u>	<u>\$ (1,452,265)</u>
OTHER FINANCING SOURCES				
Operating Transfers In:				
Capital Outlay Reserve	-	107,400	107,400	-
Grant Match Reserve	-	1,000	1,000	-
Homestead Property Tax Exemption	-	-	60,150	60,150
Jail Inmate		15,000	15,000	-
Commission on Aging	-	40,000	40,000	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>163,400</u>	<u>223,550</u>	<u>60,150</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 12,512,961</u>	<u>\$ 13,732,076</u>	<u>\$ 12,339,961</u>	<u>\$ (1,392,115)</u>

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER)UNDER
LEGISLATIVE				
Board of Commissioners	\$ 167,681	\$ 207,262	\$ 170,958	\$ 36,304
TOTAL LEGISLATIVE	167,681	207,262	170,958	36,304
JUDICIAL				
Circuit Court	364,197	364,197	302,218	61,979
Family Court	453,817	464,617	443,986	20,631
Circuit Court Probation	6,500	6,500	4,056	2,444
District Court	562,929	562,929	519,148	43,781
Friend of Court	85,304	91,504	73,869	17,635
Probate Court	221,203	227,003	218,862	8,141
Jury Commission	6,000	18,800	9,084	9,716
Insurance	72,896	70,323	56,333	13,990
Fringe Benefits	198,987	203,603	172,309	31,294
TOTAL JUDICIAL	1,971,833	2,009,476	1,799,865	209,611
GENERAL GOVERNMENT				
Budget/Accounting Services	54,154	60,578	54,348	6,230
Clerk	208,786	210,029	201,643	8,386
Communications Department	145,400	145,400	110,652	34,748
Computer	289,900	346,691	242,288	104,403
Purchasing	39,820	40,895	37,144	3,751
Treasurer	188,676	179,233	164,378	14,855
Equalization	164,258	166,475	164,448	2,027
MSU Extension	105,356	105,356	96,364	8,992
Elections	32,150	32,150	24,081	8,069
Grove Street Annex	16,300	16,300	11,885	4,415
'05 Courthouse	94,292	107,392	97,626	9,766
County Building and Grounds	302,623	311,235	286,742	24,493
Prosecuting Attorney	330,584	347,429	329,670	17,759
Register of Deeds	147,847	146,376	139,666	6,710
Microfilm	18,550	18,550	14,542	4,008
Plat Board	250	250	-	250
Victims' Rights	54,271	55,056	52,516	2,540
Prosecuting Attorney Child Support IVD	58,676	58,676	48,841	9,835
Drain Commissioner	10,433	10,693	10,031	662
Abstract	96,330	98,611	97,028	1,583
Survey and Remonumentation	30,000	67,400	65,863	1,537
Insurance	112,336	108,371	86,811	21,560
Fringe Benefits	711,768	728,279	616,343	111,936
Other	704,386	636,318	171,784	464,534
TOTAL GENERAL GOVERNMENT	3,917,146	3,997,743	3,124,694	873,049

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET (OVER)UNDER
	ORIGINAL	FINAL		
PUBLIC SAFETY				
Sheriff	\$ 1,452,522	\$ 1,559,165	\$ 1,454,539	\$ 104,626
Marine Safety	85,394	105,394	72,183	33,211
Secondary Road Patrol	185,003	189,221	176,890	12,331
Jail	370,718	366,312	341,061	25,251
Emergency Services	44,725	50,352	43,541	6,811
Gun Board	1,000	1,000	188	812
Animal Control	127,136	127,356	118,200	9,156
Insurance	102,578	98,957	79,270	19,687
Fringe Benefits	791,131	809,484	685,066	124,418
Other	-	5,000	4,853	147
TOTAL PUBLIC SAFETY	3,160,207	3,312,241	2,975,791	336,450
PUBLIC WORKS				
Dams	7,154	57,448	23,424	34,024
TOTAL PUBLIC WORKS	7,154	57,448	23,424	34,024
HEALTH AND WELFARE				
Health Department/Mental Health/Medical Examiner	489,225	502,125	483,039	19,086
Agency on Aging	3,819	7,239	6,795	444
Welfare	13,000	77,800	18,493	59,307
Veterans' Affairs	21,649	24,435	21,731	2,704
Insurance	24,582	23,714	18,997	4,717
Fringe Benefits	34,866	35,675	30,192	5,483
TOTAL HEALTH AND WELFARE	587,141	670,988	579,247	91,741
COMMUNITY/ECONOMIC DEVELOPMENT				
Resource Recovery	27,950	28,950	22,202	6,748
Planning Commission	35,160	35,160	13,977	21,183
Planner/Coordinator	175,599	187,939	184,225	3,714
EDC	1,990	1,990	1,027	963
Insurance	10,268	9,906	7,935	1,971
Fringe Benefits	93,811	95,987	81,234	14,753
TOTAL COMMUNITY/ECONOMIC DEVELOPMENT	344,778	359,932	310,600	49,332
RECREATION AND CULTURE				
Parks Commission	5,150	5,150	2,137	3,013
Parks	215,461	211,063	181,787	29,276
Parks - Elk Rapids	17,307	17,473	14,212	3,261
Insurance	10,268	9,906	7,935	1,971
Fringe Benefits	53,744	54,991	46,538	8,453
Other	20,000	25,000	23,000	2,000
TOTAL RECREATION AND CULTURE	321,930	323,583	275,609	47,974

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER)UNDER
CAPITAL OUTLAY	\$ 136,054	\$ 212,705	\$ 143,663	\$ 69,042
DEBT SERVICE:				
Principal	-	180,000	175,760	4,240
Interest and Other Charges	-	10,000	7,141	2,859
	-	190,000	182,901	7,099
TOTAL EXPENDITURES	10,613,924	11,341,378	9,586,752	1,754,626
OPERATING TRANSFERS				
Grass River	56,980	56,980	56,980	-
Capital Outlay Reserve				-
Law Library	20,000	20,000	15,000	5,000
Road Patrol	445,339	445,339	445,339	-
Probate Grant	-	5,000	5,000	-
Snowmobile Fund	7,983	7,983	7,983	-
Child Care	384,400	384,400	200,000	184,400
Veterans Relief	45,000	53,000	53,000	-
Commission on Aging	-	15,000	15,000	-
Airport	169,884	169,884	168,843	1,041
Transportation	106,700	106,700	106,700	-
TOTAL OPERATING TRANSFERS	1,236,286	1,264,286	1,073,845	190,441
TOTAL EXPENDITURES AND OPERATING TRANSFERS	\$ 11,850,210	\$ 12,605,664	\$ 10,660,597	\$ 1,945,067

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY
REVENUE SHARING RESERVE
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 2,338,371	\$ 2,338,371	\$ -	\$ (2,338,371)
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	30,000	30,000	-	(30,000)
Other Revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>2,368,371</u>	<u>2,368,371</u>	<u>-</u>	<u>(2,368,371)</u>
EXPENDITURES				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,368,371</u>	<u>2,368,371</u>	<u>-</u>	<u>(2,368,371)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(338,526)	(753,117)	(416,197)	336,920
	<u>(338,526)</u>	<u>(753,117)</u>	<u>(416,197)</u>	<u>336,920</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(338,526)</u>	<u>(753,117)</u>	<u>(416,197)</u>	<u>336,920</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	2,029,845	1,615,254	(416,197)	(2,031,451)
FUND BALANCES, BEGINNING OF YEAR	<u>6,000,000</u>	<u>6,001,346</u>	<u>6,001,346</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,029,845</u>	<u>\$ 7,616,600</u>	<u>\$ 5,585,149</u>	<u>\$ (2,031,451)</u>

See Notes to Financial Statements

ANTRIM COUNTY
SERVICES FOR AGED FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ 604,213	\$ 607,743	\$ 605,801	\$ (1,942)
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	80,398	87,007	88,183	1,176
State	32,467	32,467	50,843	18,376
Other Local Units	-	-	-	-
Charges for Services	188,350	190,600	241,982	51,382
Fines and Forfeits	-	-	-	-
Interest and Rents	9,500	9,500	22,642	13,142
Other Revenue	34,900	34,900	19,429	(15,471)
	<u>949,828</u>	<u>962,217</u>	<u>1,028,880</u>	<u>66,663</u>
TOTAL REVENUES				
EXPENDITURES				
Salaries	407,330	399,714	395,412	4,302
Fringe Benefits	157,350	152,442	149,564	2,878
Supplies	181,860	196,170	225,751	(29,581)
Contractual Services	141,498	144,342	197,538	(53,196)
Utilities	38,300	37,800	27,588	10,212
Capital Outlay	34,040	-	-	-
	<u>960,378</u>	<u>930,468</u>	<u>995,853</u>	<u>(65,385)</u>
TOTAL EXPENDITURES				
REVENUES OVER (UNDER) EXPENDITURES	<u>(10,550)</u>	<u>31,749</u>	<u>33,027</u>	<u>1,278</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	15,000	15,000
Transfers (Out)	-	(40,000)	(40,000)	-
	<u>-</u>	<u>(40,000)</u>	<u>(25,000)</u>	<u>15,000</u>
TOTAL OTHER FINANCING SOURCES (USES)				
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10,550)	(8,251)	8,027	16,278
FUND BALANCES, BEGINNING OF YEAR	<u>12,747</u>	<u>12,747</u>	<u>(20,522)</u>	<u>(33,269)</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,197</u>	<u>\$ 4,496</u>	<u>\$ (12,495)</u>	<u>\$ (16,991)</u>

See Notes to Financial Statements

OTHER SUPPLEMENTARY INFORMATION

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	SOLID WASTE RESERVE	VICTIMS' RIGHTS RESERVE	CAPITAL OUTLAY RESERVE	DAMS RESERVE
ASSETS				
Cash	\$ 122,314	\$ 9,140	\$ 126,186	\$ 685,172
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
TOTAL ASSETS	\$ 122,314	\$ 9,140	\$ 126,186	\$ 685,172
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Reserved	-	9,140	-	-
Unreserved	122,314	-	126,186	685,172
TOTAL FUND BALANCES	122,314	9,140	126,186	685,172
TOTAL LIABILITIES AND FUND BALANCES	\$ 122,314	\$ 9,140	\$ 126,186	\$ 685,172

See Notes to Financial Statements

SPECIAL REVENUE FUNDS					
GAS AND OIL ROYALTIES RESERVE	GRANT MATCH RESERVE	ANTRIM CONSERVATION DISTRICT RESERVE	SPECIAL PROJECTS RESERVE	FRIEND OF COURT	PROSECUTING ATTORNEY LEGAL
\$ 108,440	\$ 181,816	\$ 53,990	\$ 379,385	\$ -	\$ 540
-	-	-	-	-	-
-	-	-	-	-	-
282	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 108,722</u>	<u>\$ 181,816</u>	<u>\$ 53,990</u>	<u>\$ 379,385</u>	<u>\$ -</u>	<u>\$ 540</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>108,722</u>	<u>181,816</u>	<u>53,990</u>	<u>379,385</u>	<u>-</u>	<u>540</u>
<u>108,722</u>	<u>181,816</u>	<u>53,990</u>	<u>379,385</u>	<u>-</u>	<u>540</u>
<u>\$ 108,722</u>	<u>\$ 181,816</u>	<u>\$ 53,990</u>	<u>\$ 379,385</u>	<u>\$ -</u>	<u>\$ 540</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	BELLAIRE DAM SPECIAL ASSESSMENT	INFORMATION TECHNOLOGY TRANSITION	GRASS RIVER	ANIMAL CONTROL DONATIONS
ASSETS				
Cash	\$ 27,558	\$ 52,709	\$ 5,169	\$ 11,924
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	45,000	-
	<u>27,558</u>	<u>52,709</u>	<u>50,169</u>	<u>11,924</u>
TOTAL ASSETS	\$ 27,558	\$ 52,709	\$ 50,169	\$ 11,924
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 64,000	\$ 702	\$ 446
Accrued Liabilities	-	-	2,532	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
	<u>-</u>	<u>64,000</u>	<u>3,234</u>	<u>446</u>
TOTAL LIABILITIES	-	64,000	3,234	446
FUND BALANCE				
Reserved	-	-	-	11,478
Unreserved	<u>27,558</u>	<u>(11,291)</u>	<u>46,935</u>	<u>-</u>
TOTAL FUND BALANCES	<u>27,558</u>	<u>(11,291)</u>	<u>46,935</u>	<u>11,478</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,558	\$ 52,709	\$ 50,169	\$ 11,924

See Notes to Financial Statements

FORESTRY	PETOSKEY STONE FESTIVAL	ANTRIM CREEK	PARK FUND RAISER	PUBLIC ACCESS BOOK FUND
\$ 132,197	\$ 1,544	\$ 61,913	\$ 707	\$ 188
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 132,197</u>	<u>\$ 1,544</u>	<u>\$ 61,913</u>	<u>\$ 707</u>	<u>\$ 188</u>

[illegible]

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	BARNES PARK GRANT 04-06	GIS IMPLEMEN- TATION	AIRPORT DONATIONS LANDSCAPING	EDC REVOLVING
ASSETS				
Cash	\$ (17,087)	\$ 17,057	\$ -	\$ 2,873
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	53	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	<u>16,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ (1,077)</u>	 <u>\$ 17,110</u>	 <u>\$ -</u>	 <u>\$ 2,873</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
FUND BALANCE				
Reserved	-	-	-	-
Unreserved	<u>(1,077)</u>	<u>17,110</u>	<u>-</u>	<u>2,873</u>
 TOTAL FUND BALANCES	 <u>(1,077)</u>	 <u>17,110</u>	 <u>-</u>	 <u>2,873</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ (1,077)</u>	 <u>\$ 17,110</u>	 <u>\$ -</u>	 <u>\$ 2,873</u>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

CONSTRUCTION CODE ENFORCE- MENT	ROAD PATROL	EMERGENCY SERVICES TOTAL GRANT 2005	HOMESTEAD PROPERTY TAX EXEMPTION	REGISTER OF DEEDS AUTOMATION	BUDGET STABILIZATION
\$ 129,575	\$ 68,602	\$ -	\$ 247	\$ 99,488	\$ 633,865
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 129,575</u>	<u>\$ 68,602</u>	<u>\$ -</u>	<u>\$ 247</u>	<u>\$ 99,488</u>	<u>\$ 633,865</u>
\$ 6,469	\$ 2,089	\$ -	\$ -	\$ 16,177	\$ -
14,227	12,580	-	-	-	-
77,500	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>98,196</u>	<u>14,669</u>	<u>-</u>	<u>-</u>	<u>16,177</u>	<u>-</u>
31,379	-	-	-	83,311	-
-	53,933	-	247	-	633,865
<u>31,379</u>	<u>53,933</u>	<u>-</u>	<u>247</u>	<u>83,311</u>	<u>633,865</u>
<u>\$ 129,575</u>	<u>\$ 68,602</u>	<u>\$ -</u>	<u>\$ 247</u>	<u>\$ 99,488</u>	<u>\$ 633,865</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	911 TRAINING	E-911 OPERATING	E-911 WIRELESS	DRIVING INTOXICATED
ASSETS				
Cash	\$ 12,745	\$ 452,670	\$ 182,673	\$ -
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	43,677	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	26,856	-
TOTAL ASSETS	\$ 12,745	\$ 496,347	\$ 209,529	\$ -
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 4,442	\$ 1,092	\$ -
Accrued Liabilities	-	15,075	3,471	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	19,517	4,563	-
FUND BALANCE				
Reserved	-	476,830	204,966	-
Unreserved	12,745	-	-	-
TOTAL FUND BALANCES	12,745	476,830	204,966	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,745	\$ 496,347	\$ 209,529	\$ -

See Notes to Financial Statements

SPECIAL REVENUE FUNDS				
LOCAL CORRECTIONS OFFICER TRAINING	K-9	JAIL INMATE PROCEEDS	MICHIGAN JUSTICE TRAINING	LAW LIBRARY
\$ 23,571	\$ 79	\$ 11,012	\$ 5,598	\$ 742
-	-	-	-	-
-	-	-	-	-
-	-	2,366	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 23,571</u>	<u>\$ 79</u>	<u>\$ 13,378</u>	<u>\$ 5,598</u>	<u>\$ 742</u>
\$ -	\$ -	\$ 1,711	\$ -	\$ 1,503
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	1,711	-	1,503
-	-	-	-	-
<u>23,571</u>	<u>79</u>	<u>11,667</u>	<u>5,598</u>	<u>(761)</u>
<u>23,571</u>	<u>79</u>	<u>11,667</u>	<u>5,598</u>	<u>(761)</u>
<u>\$ 23,571</u>	<u>\$ 79</u>	<u>\$ 13,378</u>	<u>\$ 5,598</u>	<u>\$ 742</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	2007 EMERGENCY SERVICES HRSA	HOUSING PROJECT INCOME	HOUSING 03/04 CDBG GRANT	SNOWMOBILE GRANT
ASSETS				
Cash	\$ -	\$ 6,021	\$ 995	\$ 22,005
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	478,623	505,013	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ -</u>	<u>484,644</u>	<u>506,008</u>	<u>22,005</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 251	\$ 1,125
Accrued Liabilities	-	-	-	1,402
Due to Other Funds	-	4,751	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	478,623	505,013	-
	<u>-</u>	<u>478,623</u>	<u>505,013</u>	<u>-</u>
TOTAL LIABILITIES	<u>-</u>	<u>483,374</u>	<u>505,264</u>	<u>2,527</u>
FUND BALANCE				
Reserved	-	1,270	744	-
Unreserved	-	-	-	19,478
	<u>-</u>	<u>1,270</u>	<u>744</u>	<u>19,478</u>
TOTAL FUND BALANCES	<u>-</u>	<u>1,270</u>	<u>744</u>	<u>19,478</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 484,644</u>	<u>\$ 506,008</u>	<u>\$ 22,005</u>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

HOUSING CDBG 2005-06	CLEAN LAKES GRANT	PROBATE GRANT	EMERGENCY SERVICES LEPC GRANT	HOMEBUYERS PURCHASE REHAB 04-05
\$ 20,896	\$ 7,406	\$ 3,381	\$ 474	\$ 2,197
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
235,174	-	-	-	-
-	-	-	-	4,751
-	-	-	-	-
<u>256,070</u>	<u>7,406</u>	<u>3,381</u>	<u>474</u>	<u>6,948</u>
\$ 7,613	\$ -	\$ -	\$ -	\$ 5,467
-	-	467	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
235,174	-	-	-	-
<u>242,787</u>	<u>-</u>	<u>467</u>	<u>-</u>	<u>5,467</u>
13,283	-	2,914	474	1,481
-	7,406	-	-	-
<u>13,283</u>	<u>7,406</u>	<u>2,914</u>	<u>474</u>	<u>1,481</u>
<u>\$ 256,070</u>	<u>\$ 7,406</u>	<u>\$ 3,381</u>	<u>\$ 474</u>	<u>\$ 6,948</u>

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	SPECIAL REV			
	CHILD CARE	SOLDIERS RELIEF	VETERAN'S TRUST	MEADOW VIEW SENIOR HOUSING
ASSETS				
Cash	\$ 86,460	\$ 1,892	\$ 1,042	\$ 80,824
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	<u>24,580</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 111,040</u>	 <u>\$ 1,892</u>	 <u>\$ 1,042</u>	 <u>\$ 80,824</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 33,729	\$ 654	\$ 36	\$ 15,172
Accrued Liabilities	-	-	-	3,400
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>33,729</u>	 <u>654</u>	 <u>36</u>	 <u>18,572</u>
FUND BALANCE				
Reserved	-	-	-	-
Unreserved	<u>77,311</u>	<u>1,238</u>	<u>1,006</u>	<u>62,252</u>
 TOTAL FUND BALANCES	 <u>77,311</u>	 <u>1,238</u>	 <u>1,006</u>	 <u>62,252</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 111,040</u>	 <u>\$ 1,892</u>	 <u>\$ 1,042</u>	 <u>\$ 80,824</u>

See Notes to Financial Statements

ENUE FUNDS	DEBT SERVICE		CAPITAL PROJECTS FUNDS		TOTAL
	FUND				
SELF-INSURED RESERVE	05 COURTHOUSE DEBT SERVICE	ELK RAPIDS FISH PARK CAPITAL PROJECT	BUILDINGS & STRUCTURES CAPITAL PROJECT		
\$ 266,145	\$ 10,879	\$ 8,204	\$ 535,685	\$	4,639,108
-	-	-	-		-
-	-	-	-		-
-	-	-	-		46,378
-	-	-	-		1,218,810
-	-	-	1,606		6,357
-	-	-	-		112,446
<u>\$ 266,145</u>	<u>\$ 10,879</u>	<u>\$ 8,204</u>	<u>\$ 537,291</u>	<u>\$</u>	<u>6,023,099</u>
\$ -	\$ -	\$ -	\$ 7,351	\$	170,036
-	-	-	-		53,154
-	-	-	-		82,251
-	-	-	-		-
-	-	-	-		-
-	-	-	-		1,218,810
-	-	-	7,351		1,524,251
-	10,879	8,204	529,940		1,386,293
<u>266,145</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>3,112,555</u>
<u>266,145</u>	<u>10,879</u>	<u>8,204</u>	<u>529,940</u>		<u>4,498,848</u>
<u>\$ 266,145</u>	<u>\$ 10,879</u>	<u>\$ 8,204</u>	<u>\$ 537,291</u>	<u>\$</u>	<u>6,023,099</u>

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	SOLID WASTE RESERVE	VICTIMS' RIGHTS RESERVE	CAPITAL OUTLAY RESERVE	DAMS RESERVE
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	5,819	429	6,800	32,599
Other Revenue	-	231	-	-
TOTAL REVENUES	5,819	660	6,800	32,599
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	5,819	660	6,800	32,599
OTHER FINANCING SOURCES (USES)				
Proceeds From Leases	-	-	-	-
Transfers In	-	-	-	-
Transfers (Out)	-	-	(107,400)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(107,400)	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	5,819	660	(100,600)	32,599
FUND BALANCES, BEGINNING OF YEAR	116,495	8,480	226,786	652,573
FUND BALANCES, END OF YEAR	\$ 122,314	\$ 9,140	\$ 126,186	\$ 685,172

See Notes to Financial Statements

SPECIAL REVENUE FUNDS					
GAS AND OIL ROYALTIES RESERVE	GRANT MATCH RESERVE	ANTRIM CONSERVATION DISTRICT RESERVE	SPECIAL PROJECTS RESERVE	FRIEND OF COURT FUND	PROSECUTING ATTORNEY LEGAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,180	-
-	-	-	-	-	-
3,919	6,993	2,569	18,051	-	26
49,383	-	-	-	-	-
53,302	6,993	2,569	18,051	4,180	26
-	-	-	-	4,180	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,180	-
53,302	6,993	2,569	18,051	-	26
-	-	-	-	-	-
-	-	-	-	-	-
-	(68,875)	-	-	-	-
-	(68,875)	-	-	-	-
53,302	(61,882)	2,569	18,051	-	26
55,420	243,698	51,421	361,334	-	514
\$ 108,722	\$ 181,816	\$ 53,990	\$ 379,385	\$ -	\$ 540

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	BELLAIRE DAM SPECIAL ASSESSMENT	INFORMATION TECHNOLOGY TRANSITION	GRASS RIVER
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	-	-	45,000
Other Local Units	-	-	-
Charges for Services	-	-	-
Fines and Forfeits	-	-	-
Interest and Rents	1,341	1,618	2,350
Other Revenue	-	-	215,909
	<u>1,341</u>	<u>1,618</u>	<u>263,259</u>
TOTAL REVENUES			
	<u>1,341</u>	<u>1,618</u>	<u>263,259</u>
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	814	-	-
Public Safety	-	-	-
Health and Welfare	-	-	-
Recreation and Cultural	-	-	212,911
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	326,277	110,000
	<u>814</u>	<u>326,277</u>	<u>322,911</u>
TOTAL EXPENDITURES			
	<u>814</u>	<u>326,277</u>	<u>322,911</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>527</u>	<u>(324,659)</u>	<u>(59,652)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds From Leases	-	-	-
Transfers In	-	285,000	106,980
Transfers (Out)	-	-	(101,375)
	<u>-</u>	<u>285,000</u>	<u>5,605</u>
TOTAL OTHER FINANCING SOURCES (USES)			
	<u>-</u>	<u>285,000</u>	<u>5,605</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	527	(39,659)	(54,047)
FUND BALANCES, BEGINNING OF YEAR	<u>27,031</u>	<u>28,368</u>	<u>100,982</u>
FUND BALANCES, END OF YEAR	\$ 27,558	\$ (11,291)	\$ 46,935

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

ANIMAL CONTROL DONATIONS	FORESTRY	PETOSKEY STONE FESTIVAL	ANTRIM CREEK	PARK FUND RAISER	PUBLIC ACCESS BOOK FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	35,919	-	-	-	-
-	-	-	-	-	-
597	6,863	90	3,056	34	9
<u>2,710</u>	<u>6,832</u>	<u>6,566</u>	<u>-</u>	<u>2,532</u>	<u>-</u>
<u>3,307</u>	<u>49,614</u>	<u>6,656</u>	<u>3,056</u>	<u>2,566</u>	<u>9</u>
-	-	-	-	-	-
-	41,546	-	-	-	-
3,289	-	-	-	-	-
-	-	-	-	-	-
-	-	5,314	3,099	2,444	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>54,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,289</u>	<u>95,546</u>	<u>5,314</u>	<u>3,099</u>	<u>2,444</u>	<u>-</u>
<u>18</u>	<u>(45,932)</u>	<u>1,342</u>	<u>(43)</u>	<u>122</u>	<u>9</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
18	(45,932)	1,342	(43)	122	9
<u>11,460</u>	<u>178,129</u>	<u>202</u>	<u>61,949</u>	<u>585</u>	<u>179</u>
\$ 11,478	\$ 132,197	\$ 1,544	\$ 61,906	\$ 707	\$ 188

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	BARNES PARK GRANT 04-06	GIS IMPLEMEN- TATION	AIRPORT DONATIONS LANDSCAPING	EDC REVOLVING
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	1,647	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	5,887	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	-	739	-	136
Other Revenue	-	-	-	-
TOTAL REVENUES	1,647	6,626	-	136
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	4,020	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	3,321	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	3,321	4,020	-	-
REVENUES OVER (UNDER) EXPENDITURES	(1,674)	2,606	-	136
OTHER FINANCING SOURCES (USES)				
Proceeds From Leases				
Transfers In	-	-	-	-
Transfers (Out)	-	-	(3)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(3)	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,674)	2,606	(3)	136
FUND BALANCES, BEGINNING OF YEAR	597	14,504	3	2,737
FUND BALANCES, END OF YEAR	\$ (1,077)	\$ 17,110	\$ -	\$ 2,873

See Notes to Financial Statements

SPECIAL REVENUE FUNDS					
CONSTRUCTION CODE ENFORCE- MENT	ROAD PATROL	EMERGENCY SERVICES TOTAL GRANT 2005	HOMESTEAD PROPERTY TAX EXEMPTION	REGISTER OF DEEDS AUTOMATION	BUDGET STABILIZATION
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
615,359	-	-	-	-	-
-	-	17,328	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	58,150	-
-	-	-	-	-	-
4,635	4,465	-	14,282	4,329	30,158
1,972	3,324	-	2,555	-	-
621,966	7,789	17,328	16,837	62,479	30,158
-	-	-	-	-	-
-	-	-	-	-	-
592,433	420,571	8,484	-	54,725	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
77,500	-	9,000	-	-	-
669,933	420,571	17,484	-	54,725	-
(47,967)	(412,782)	(156)	16,837	7,754	30,158
-	445,339	-	-	-	-
-	-	-	(60,150)	-	-
-	445,339	-	(60,150)	-	-
(47,967)	32,557	(156)	(43,313)	7,754	30,158
79,346	21,376	156	43,560	75,557	603,707
\$ 31,379	\$ 53,933	\$ -	\$ 247	\$ 83,311	\$ 633,865

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	911 TRAINING	E-911 OPERATING	E-911 WIRELESS
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	7,175	-	112,537
Other Local Units	-	-	-
Charges for Services	-	485,867	-
Fines and Forfeits	-	-	-
Interest and Rents	520	23,379	8,094
Other Revenue	-	133	3,672
TOTAL REVENUES	7,695	509,379	124,303
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	6,726	515,598	88,611
Health and Welfare	-	-	-
Recreation and Cultural	-	-	-
Debt service			
Principal	-	102,187	-
Interest and Other Charges	-	-	-
Capital Outlay	-	289,178	-
TOTAL EXPENDITURES	6,726	906,963	88,611
REVENUES OVER (UNDER) EXPENDITURES	969	(397,584)	35,692
OTHER FINANCING SOURCES (USES)			
Proceeds From Leases	-	289,178	-
Transfers In	-	-	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	289,178	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	969	(108,406)	35,692
FUND BALANCES, BEGINNING OF YEAR	11,776	585,236	169,274

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

DRIVING INTOXICATED	LOCAL CORRECTIONS OFFICER TRAINING	K-9	JAIL INMATE PROCEEDS	MICHIGAN JUSTICE TRAINING	LAW LIBRARY
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	4,364	-
-	-	-	-	-	-
-	9,425	-	33,065	-	-
-	-	-	-	-	3,500
10	979	4	742	-	262
<u>694</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>704</u>	<u>10,404</u>	<u>104</u>	<u>33,807</u>	<u>4,364</u>	<u>3,762</u>
-	-	-	-	-	20,083
-	-	-	-	-	-
762	4,163	25	17,680	1,090	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>762</u>	<u>4,163</u>	<u>25</u>	<u>17,680</u>	<u>1,090</u>	<u>20,083</u>
<u>(58)</u>	<u>6,241</u>	<u>79</u>	<u>16,127</u>	<u>3,274</u>	<u>(16,321)</u>
-	-	-	-	-	-
-	-	-	-	-	15,000
-	-	-	(15,000)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
(58)	6,241	79	1,127	3,274	(1,321)
<u>58</u>	<u>17,330</u>	<u>-</u>	<u>10,540</u>	<u>2,324</u>	<u>560</u>
\$ -	\$ 23,571	\$ 79	\$ 11,667	\$ 5,598	\$ (761)

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	2007 EMERGENCY SERVICES HRSA	HOUSING PROJECT INCOME	HOUSING 03/04 CDBG GRANT
REVENUES			
Taxes	\$ -	\$ -	-
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	2,235	-	6,085
State	-	-	-
Other Local Units	-	-	-
Charges for Services	-	-	-
Fines and Forfeits	-	-	-
Interest and Rents	-	5,965	-
Other Revenue	-	52,661	-
TOTAL REVENUES	<u>2,235</u>	<u>58,626</u>	<u>6,085</u>
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	2,235	-	-
Health and Welfare	-	-	64,519
Recreation and Cultural	-	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	-	-	-
TOTAL EXPENDITURES	<u>2,235</u>	<u>-</u>	<u>64,519</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>58,626</u>	<u>(58,434)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds From Lease	-	-	-
Transfers In	-	-	58,839
Transfers (Out)	-	(61,139)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(61,139)</u>	<u>58,839</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(2,513)	405
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>3,783</u>	<u>339</u>
FUND BALANCES, END OF YEAR	\$ -	\$ 1,270	\$ 744

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

SNOWMOBILE GRANT	HOUSING CDBG 2006-06	CLEAN LAKES GRANT FUND	PROBATE GRANT	EMERGENCY SERVICES LEPC GRANT	HOMEBUYERS PURCHASE REHAB 2004-05
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	78,208	-	-	-	3,387
13,069	-	-	-	-	-
-	-	-	13,598	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	352	-	-	-
-	-	-	-	-	2,462
<u>13,069</u>	<u>78,208</u>	<u>352</u>	<u>13,598</u>	<u>-</u>	<u>5,849</u>
-	-	-	-	-	-
-	-	-	-	-	-
18,158	-	-	-	375	-
-	63,058	-	12,917	-	9,737
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,158</u>	<u>63,058</u>	<u>-</u>	<u>12,917</u>	<u>375</u>	<u>9,737</u>
<u>(5,089)</u>	<u>15,150</u>	<u>352</u>	<u>681</u>	<u>(375)</u>	<u>(3,888)</u>
-	-	-	-	-	-
7,983	2,300	-	5,000	-	-
-	-	-	-	-	-
<u>7,983</u>	<u>2,300</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
2,894	17,450	352	5,681	(375)	(3,888)
<u>16,584</u>	<u>(4,167)</u>	<u>7,054</u>	<u>(2,767)</u>	<u>849</u>	<u>5,369</u>
\$ 19,478	\$ 13,283	\$ 7,406	\$ 2,914	\$ 474	\$ 1,481

See Notes to Financial Statements

ANTRIM COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	CHILD CARE	SOLDIERS RELIEF	VETERAN'S TRUST
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental Revenue			
Federal	-	-	-
State	162,980	-	6,638
Other Local Units	-	-	-
Charges for Services	46,046	-	-
Fines and Forfeits	-	-	-
Interest and Rents	-	-	-
Other Revenue	-	-	-
TOTAL REVENUES	<u>209,026</u>	<u>-</u>	<u>6,638</u>
EXPENDITURES			
Current			
Judicial	-	-	-
General Government	-	-	-
Public Safety	-	-	-
Health and Welfare	363,533	53,315	6,395
Recreation and Cultural	-	-	-
Debt service			
Principal	-	-	-
Interest and Other Charges	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>363,533</u>	<u>53,315</u>	<u>6,395</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(154,507)</u>	<u>(53,315)</u>	<u>243</u>
OTHER FINANCING SOURCES (USES)			
Proceeds From Lease	-	-	-
Transfers In	200,000	53,000	-
Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>200,000</u>	<u>53,000</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	45,493	(315)	243
FUND BALANCES, BEGINNING OF YEAR	<u>31,818</u>	<u>1,553</u>	<u>763</u>
FUND BALANCES, END OF YEAR	\$ 77,311	\$ 1,238	\$ 1,006

See Notes to Financial Statements

SPECIAL REVENUE FUNDS		DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS			
MEADOW VIEW SENIOR HOUSING	SEF-INSURED RESERVE	05 COURTHOUSE DEBT SERVICE	ELK RAPIDS FISH PARK	BUILDINGS & STRUCTURES	TOTAL	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	615,359
-	-	-	-	-	-	107,243
-	-	-	-	-	-	353,410
-	-	-	-	-	-	13,598
-	-	-	-	-	-	678,539
-	-	-	-	-	-	3,500
102,610	11,036	424	390	21,976		328,650
3,546	-	-	-	15,653		370,935
<u>106,156</u>	<u>11,036</u>	<u>424</u>	<u>390</u>	<u>37,629</u>		<u>2,471,234</u>
-	-	-	-	-	-	24,263
-	-	-	-	46,261	-	92,641
-	-	-	-	-	-	1,734,925
112,135	-	-	-	-	-	685,609
-	-	-	-	-	-	227,089
-	-	-	-	-	-	102,187
-	-	-	-	-	-	-
-	-	-	-	136,457	-	1,002,412
<u>112,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,718</u>		<u>3,869,126</u>
<u>(5,979)</u>	<u>11,036</u>	<u>424</u>	<u>390</u>	<u>(145,089)</u>		<u>(1,397,892)</u>
-	-	-	-	-	-	289,178
-	101,375	-	-	416,197	-	1,697,013
-	-	-	-	-	-	(413,942)
-	<u>101,375</u>	<u>-</u>	<u>-</u>	<u>416,197</u>		<u>1,572,249</u>
(5,979)	112,411	424	390	271,108		174,357
<u>68,231</u>	<u>153,734</u>	<u>10,455</u>	<u>7,814</u>	<u>258,832</u>		<u>4,324,491</u>
\$ 62,252	\$ 266,145	\$ 10,879	\$ 8,204	\$ 529,940	\$	4,498,848

See Notes to Financial Statements

ANTRIM COUNTY
OTHER PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	ENTERPRISE FUNDS			
	ELK RAPIDS			
	AIRPORT	HYDRO ELECTRIC	TRANSPORTATION	TOTAL
ASSETS				
Current Assets				
Cash	\$ 76,338	\$ 488,734	\$ 166,271	\$ 731,343
Investments	-	-	-	-
Receivables:				
Accounts	20,770	-	39,626	60,396
Taxes	-	-	-	-
Interest and Penalties	-	-	-	-
Due From Other Governments	2,004	-	38,769	40,773
Prepaid Expenses	-	-	6,324	6,324
Inventories	-	-	14,413	14,413
Capital Assets - Net	<u>1,913,043</u>	<u>170,823</u>	<u>314,956</u>	<u>2,398,822</u>
 TOTAL ASSETS	 <u>2,012,155</u>	 <u>659,557</u>	 <u>580,359</u>	 <u>3,252,071</u>
 LIABILITIES				
Accounts Payable	8,728	208	79,549	88,485
Accrued Wages	6,202	-	12,462	18,664
Due to Other Funds	-	-	5,372	5,372
Bonds Payable	-	165,000	-	165,000
Deferred Revenue	148,230	-	-	148,230
 TOTAL LIABILITIES, ALL CURRENT	 <u>163,160</u>	 <u>165,208</u>	 <u>97,383</u>	 <u>425,751</u>
 NET ASSETS				
Investment in Capital Assets, Net of Related Debt	1,913,043	5,823	314,956	2,233,822
Unrestricted net assets	(64,048)	488,526	168,020	592,498
Restricted net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL NET ASSETS	 \$ 1,848,995	 \$ 494,349	 \$ 482,976	 \$ 2,826,320

See Notes to Financial Statements

ANTRIM COUNTY
OTHER PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
DECEMBER 31, 2007

	ENTERPRISE FUNDS			
	ELK RAPIDS			
	AIRPORT	HYDRO ELECTRIC	TRANSPORTATION	TOTAL
OPERATING REVENUES				
Interest and Penalties on Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	184,300	59,678	347,782	591,760
Sale of Properties at Tax Auction	-	-	-	-
Other Income	24,263	-	-	24,263
TOTAL OPERATING REVENUES	208,563	59,678	347,782	616,023
OPERATING EXPENSES				
Salary Expense	150,288	-	337,742	488,030
Fringe Benefit Expense	73,007	-	182,561	255,568
Other Expenses	190,027	20,177	311,856	522,060
Depreciation Expense	122,961	25,421	121,034	269,416
TOTAL OPERATING EXPENSES	536,283	45,598	953,193	1,535,074
OPERATING INCOME (LOSS)	(327,720)	14,080	(605,411)	(919,051)
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	1,559	14,763	7,380	23,702
Interest Expense	-	(9,208)	-	(9,208)
Tax Levy	-	-	-	-
Restricted Donations/Income	-	-	-	-
Gain(Loss) on Sale of Assets	-	188,239	34,816	223,055
Federal Grants	32,349	-	154,296	186,645
State Grants	51,491	-	259,341	310,832
TOTAL NONOPERATING REVENUES (EXPENSES)	85,399	193,794	455,833	735,026
INCOME BEFORE OPERATING TRANSFERS	(242,321)	207,874	(149,578)	(184,025)
TRANSFERS				
Transfers from Other Funds	186,721	-	106,700	293,421
Transfers to Other Funds	-	-	-	-
TOTAL TRANSFERS	186,721	-	106,700	293,421
CHANGE IN NET ASSETS	(55,600)	207,874	(42,878)	109,396
NET ASSETS, BEGINNING OF YEAR - AS RESTATED	1,904,595	286,475	525,854	2,716,924
NET ASSETS, END OF YEAR	\$ 1,848,995	\$ 494,349	\$ 482,976	\$ 2,826,320

See Notes to Financial Statements

ANTRIM COUNTY
OTHER PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

	ENTERPRISE FUNDS			
	ELK RAPIDS			
	HYDRO			
	AIRPORT	ELECTRIC	TRANSPORTATION	TOTAL
Cash Flows from Operating Activities:				
Cash received from customers	\$ 185,789	\$ 91,633	\$ 334,681	\$ 612,103
Cash payments for goods and services	(181,299)	(25,796)	(268,493)	(475,588)
delinquent taxes	-	-	-	-
Cash payments to employees for services/fringe benefits	(217,093)	-	(519,145)	(736,238)
Cash payments for delinquent tax rolls	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(212,603)</u>	<u>65,837</u>	<u>(452,957)</u>	<u>(599,723)</u>
Cash Flows from Non Capital Financing Activities:				
Transfers from (to) other funds	186,721	-	106,700	293,421
Proceeds from county tax levy	-	-	-	-
Insurance proceeds	148,230	-	-	148,230
Operating grants received	<u>-</u>	<u>-</u>	<u>328,617</u>	<u>328,617</u>
Net Cash Provided (Used) by Non Capital Financing Activities	<u>334,951</u>	<u>-</u>	<u>435,317</u>	<u>770,268</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(131,409)	-	(51,650)	(183,059)
Capital acquisition grants - received in cash	83,840	-	52,253	136,093
Principal paid on bonds	-	(25,000)	-	(25,000)
Interest paid on bonds	-	(9,208)	-	(9,208)
Proceeds from sale of property and equipment	-	195,000	34,816	229,816
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(47,569)</u>	<u>160,792</u>	<u>35,419</u>	<u>148,642</u>
Cash Flows from Investing Activities:				
Interest Received	<u>1,559</u>	<u>14,763</u>	<u>7,380</u>	<u>23,702</u>
Net Cash Provided by Investing Activities	<u>1,559</u>	<u>14,763</u>	<u>7,380</u>	<u>23,702</u>
Net Increase (Decrease) in Cash and Cash Equivalents	76,338	241,392	25,159	342,889
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>247,342</u>	<u>141,112</u>	<u>388,454</u>
Cash and Cash Equivalents, End of Year	<u>\$ 76,338</u>	<u>\$ 488,734</u>	<u>\$ 166,271</u>	<u>\$ 731,343</u>

See Notes to Financial Statements

ANTRIM COUNTY
OTHER PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2007

ENTERPRISE FUNDS				
ELK RAPIDS				
HYDRO				
	AIRPORT	ELECTRIC	TRANSPORTATION	TOTAL
Operating Income (Loss)	\$ (327,720)	\$ 14,080	\$ (605,411)	\$ (919,051)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	122,961	25,421	121,034	269,416
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(22,774)	31,955	(13,101)	(3,920)
(Increase) Decrease in Delinquent Taxes Receivable	-	-	-	-
(Increase) Decrease in Inventories	-	-	4,668	4,668
(Increase) Decrease in Prepaid Expenses	-	-	126	126
Increase (Decrease) in Accounts Payable	8,728	(5,619)	33,197	36,306
Increase (Decrease) in Accrued Liabilities	6,202	-	6,530	12,732
Deferred Revenues	-	-	-	-
Net Cash Provided (Used) by Operating Activities	\$ (212,603)	\$ 65,837	\$ (452,957)	\$ (599,723)

See Notes to Financial Statements



Thomas R. Zick CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 149, 2947 MANTZ STREET
LEWISTON, MICHIGAN 49756
TELEPHONE: (989) 786-4032
FAX: (989) 786-4032

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June 5, 2008

Board of Commissioners
Antrim County
Bellaire, Michigan 49615

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan as of and for the year ended December 31, 2007, which collectively comprise the County of Antrim, Michigan's basic financial statements and have issued my report thereon dated June 5, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of Meadowbrook Medical Care Facility as described in my report on Antrim County, Michigan financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Antrim County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Antrim County's internal control over financial reporting. Accordingly, I do not express an opinion of the effectiveness of Antrim County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Antrim County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Antrim County's financial statements that is more than inconsequential will not be prevented or detected by Antrim County's internal control. I consider the following deficiency to be a significant deficiency in internal control over financial reporting:

Establishment and maintenance of internal control over the financial reporting process as defined by Statement on auditing Standards Number 112 requires management to prepare annual financial statements in accordance with GASB Statement Number 34. The County's auditor prepares these statements.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Antrim County's internal control.

MEMBER: AMERICAN INSTITUTE OF CPAS & MICHIGAN ASSOCIATION OF CPAS

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Board of Commissioners
Antrim County
June 5, 2008

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Antrim County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

I noted certain immaterial instances of noncompliance that I have reported to management of Antrim County in a separate letter dated June 5, 2008.

This report is intended solely for the information and use of management, the Board of Commissioners, federal awarding agencies, pass-through entities, and Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Thomas R. Zick, CPA P.C.", written in a cursive style.

THOMAS R. ZICK CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT



Thomas R. Zick CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 149, 2947 MANTZ STREET
LEWISTON, MICHIGAN 49756
TELEPHONE: (989) 786-4032
FAX: (989) 786-4032

REPORT TO MANAGEMENT / BOARD OF COMMISSIONERS

June 5, 2008

Board of Commissioners
Antrim County
Bellaire, Michigan 49615

I have audited the financial statements of Antrim County for the year ended December 31, 2007, and have issued my reports thereon dated June 5, 2008. Professional standards require that I provide you with the following information related to my audit.

My Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. Generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because I did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me.

In planning and performing my audit, I considered Antrim County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide assurance on the internal control over financial reporting. I also considered internal control over compliance with requirements that could have a direct and material effect on the financial statements.

As part of obtaining reasonable assurance about whether Antrim County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit. While my audit provides a reasonable basis for my opinion, it does not provide a legal determination of Antrim County's compliance with those requirements.

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Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Antrim County are described in Note 1 to the financial statements. I noted no transactions entered into by Antrim County during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Some accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience and past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. My conclusions regarding the reasonableness of the estimates are based on reviewing and testing the historical data provided by management and using this data to compute the liability.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in my judgment, may not have been detected except through my auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Antrim County's financial reporting process (that is, cause future financial statements to be materially misstated). All of the adjustments I proposed, have been recorded by Antrim County.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether significant or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. I am pleased to report that no such disagreements arose during the course of my audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Antrim County's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with me to determine that the consultant has all of the relevant facts. To my knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Antrim County's auditors. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition to my retention.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Comments and Recommendations

The following is a summary of my observations with suggestions for improvements I believe should be brought to your attention.

Budgets

Budgetary Procedures

The Board of Commissioners properly adopted a budget for the General Fund and Special Revenue Funds for the year ended December 31, 2007 in accordance with Public Act 621 of 1978, The Uniform Budgeting and Accounting Act.

Specific sections of Public Act 621 of 1978 follow:

1. Section 18(1), as amended, provides that a County shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements the County's actual expenditures and budgeted expenditures for the General Fund and Special Revenue Funds have been shown on a functional basis. As a result, for the year ended December 31, 2007 the County incurred functional expenditures in the Special Revenue funds in excess of the amount appropriated as follows:

	Amended Budget	Actual	Variance
Special Revenue Funds			
Grass River	\$ 318,930	\$ 322,911	\$ (3,981)
911 Operating	\$ 669,717	\$ 906,963	\$ (237,246)
Services For Aged	\$ 930,468	\$ 995,853	\$ (65,385)

Fund Deficits / Cash Deficits –

Cash Deficit – The county incurred a cash deficit in the following fund:

Governmental: Special Revenue:

Barnes Park Grant 04-06 \$ (17,087)

Fund Deficits – The County accumulated fund balance/retained earning deficits in the following individual fund.

Governmental: Special Revenue:

Barnes Park Grant 04-06 \$ (1,077)

Information Technology Transition \$ (11,291)

Law Library \$ (761)

Services for Aged \$ (12,495)

Public Act 275 of 1980 requires the County to file a deficit elimination plan within 90 days after December 31, 2007. The County has not filed the required plan, however, the deficits are expected to be eliminated in 2007 and an appropriate plan will be filed.

Computer Processing

The County spends significant amounts for computer processing on an annual basis and at the present time the system operates effectively and your service center is responsive to the needs of your primary user departments.

You are well under way with implementing a long term technology plan for hardware and software needs. During this process it is my opinion the County should complete an overall software and system needs assessment as well. Even today, your system does not permit real time use for your primary accounting records, such as your receipt journals, disbursement journals, and general ledger. Prior year, and even prior months data is not available without using hard copy. Most systems today allow instant access to your data including activity from prior accounting periods. Your needs assessment process should include all present and future users in order to best determine the direction Antrim County will take in this rapidly changing area. It is critical to incorporate the financial / accounting needs in this assessment process.

Fixed Assets

The County had their appraisal/inventory updated and the data has been incorporated into the financial statement. For future periods, the following needs to be done annually:

1. The additions for the year must reconcile to the capital outlay general ledger accounts.
2. A system needs to be devised to require departments to inform the clerk's department of disposals of fixed assets, especially when the item is scrapped.
3. Grant purchases such as those received at the Airport need to be added to this list.
4. Errors have occurred on the appraisal update which must be corrected in future years.

I feel the capitalization amount which presently is \$5,000 should be reduced to \$2,000 to more accurately reflect the capital assets total.

Airport

The Airport was accounted for as a general fund department in 2006. For 2007 the department has been transferred to an enterprise or business activities type fund. This will allow for a complete segregation of the airport activities from other departments and funds, and allow for more accurate reporting. The Airport activity is reported on pages 76 through 79 in the accompanying report.

The grants received by the Airport, many times do not involve the actual receipt of cash in the county records, but instead are paid for by the State on behalf of the county. These grant revenues and expenditures must be recorded in order to properly reflect the Airport activity.

GASB Statement 45 – Accounting and Financial Reporting By Employers for Post-Employment Benefits Other Than Pensions

In June 2004, the GASB issued Statement 45, which establishes standards for the measurement, recognition, and display of other post-employment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. OPEB includes post-employment healthcare as well as other post-employment benefits such as life insurance.

The County commission as well as Management should begin to consider the impact of GASB Statement 45 prior to the required implementation date which will be December 31, 2008. Because of the limited number of employees eligible for this benefit, the calculations will not be significant, but must still be done.

Road Commission

There were several budgetary line items that were overspent in violation of PA 621. In total the actual expenditures did not exceed the budgeted amount.

The inventory detail printouts did not agree to the general ledger totals. While the amounts were minor, the detail totals should agree to the general ledger. It is my experience that this same condition exists at other road commissions using the software you use. You should work with the software vendor to eliminate these out of balance conditions.

The requirements of GASB #45 relating to post employment benefits other than pension (primarily health care costs) must be implemented for the year ending December 31, 2008. In order to properly implement the standard, certain actuarial calculations must be made. I can assist you in finding a firm to make these calculations.

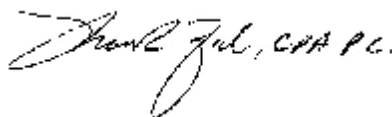
There is not adequate segregation of duties in the accounting area. The individual who posts all journals and the general ledger also prepares checks and related disbursements journals, and also initiates all journal entries.

I recognize that with only two full time individuals working in the accounting area adequate segregation of duties is not only difficult but for all practical purposes impossible. The Board must recognize that all internal controls must be evaluated for cost effectiveness and at this point little can be done to increase the control without a considerable cost increase. The controls, which could be added, would have to be compared with the costs required to obtain those controls. By assigning the bank reconciliation procedures to another employee, considerable strengthening of internal accounting control has already occurred.

Conclusion

I would like to express my appreciation, as well as that of my staff, for the excellent cooperation received while performing the audit. If I can be of any assistance in implementing the above recommendations, please contact me.

This report is intended solely for the use of management, the Board of Commissioners, the Michigan Department of Treasury, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



THOMAS R. ZICK CPA, P.C.
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